

FINANCE CONTROL BOARD, June 9, 2008

Present: Chairman Christopher Gabrieli, Mayor Domenic Sarno, Robert Nunes, James Morton, City Council President Bud Williams, City Clerk Wayman Lee

Public Comment

Chairman Chris Gabrieli: Good morning. I apologize to my fellow board members and even more so to those of you who thought the meeting was going to start at 10:30 as did I. I apologize; traffic...couple traffic surprises and misjudgment on my part combined, but tried to encourage everybody to start without me, and I understand that people mistakenly thought my presence mattered. And therefore I'm honored, but sorry you're so....all so off base and delighted to see you all, but good morning. Let's fire away. Thank you very much.

Lois Smith: Chairman Gabrieli, I have to say that I'm glad you're all here in one piece, and, other members, I want to again say it's nice to be here. I'm talking today about an ethics situation, and you know that the appearance at least of a our school committee indicates that there's a conflict of interest. And it's very important that we have at least the perception of independent voting on our school committee. It's absolutely necessary. So we have to be assured that the new ethics code proposed by Councilmen Markey and Stebbins will address the appearance of conflict of interest on our school committee. Or alternatively, ask the control board to intercede with a measure that will control the efficacy of that committee. Please note the huge public outcry and on radio call-in and the letters to the editor that the public really wants this ethics situation resolved.

So the future of Springfield depends on our schools. Our biggest asset is our children. The largest budget item in this city of Springfield is our department of education. Being practical, I recognize that some problems seem difficult to resolve...be resolved, sometimes almost insurmountable. Some are politically difficult. We tend to sweep these difficult things under the rug as too difficult to address, but to make this city strong, there can be no issue that isn't up for review. When the public votes for school committee members, they are likely unaware of the confluence of interests among the candidates, the close family ties that would clearly be unacceptable in industry.

Since we cannot overturn what the voters have devised, we must find another way to control what appears to be a conflict of interest on the school committee. The voting public doesn't know which candidates have close family members as defined by Massachusetts state law. Those close family members whose positions and salaries can be lowered or elevated at the will of the superintendent must in some way be separate from their votes. These are family members whose livelihood and position appears if does not in fact depend on how the committee votes. Once in office, the public is likely still unaware of the superintendent's potential influence on committee member votes. It doesn't matter whether the superintendent is as ethical as we know Dr. Ingram is going to be, the fact of the matter is, that for the public perception, we need to make it clear. The obvious ethics committee that a few members of the school committee can control all

votes put forth by the superintendent is making it into a rubber stamp rather than a checks and balances that committee was intended to be.

So I'm asking for an on-going oversight committee in the school district, and incidentally, one of the local communities has that oversight and for the education department only. And that is something that I would ask that this body to address. Thank you.

City Clerk Wayman Lee: Kevin Noonan.

Kevin Noonan: Thank you for the opportunity to speak with you. I have actually spoken to each of you, I think, except for Mayor Nunes. I didn't know how to contact you. Ann-Marie told me she'd be happy to give you up after the meeting as far as how to email you or something like that, so...

Thank you very much for those of you who have spent time listening to us. My name is Kevin Noonan and I'm the executive director of Open Pantry Community Services, and last year one of our programs, the emergency food pantry, provided enough...102,000 meals. As the Mayor today prepares to declare a heat emergency, I just wanted to say that our Loaves and Fishes kitchen will remain open (and does whenever the heat or rain or snow or cold threatens people who are homeless and in need of shelter). So that...that is a program that is vital to the city of Springfield as well as the emergency food pantry which last year provided enough groceries for over 27,500 individuals, half of whom are children. Ad, as we all know, Springfield ranked sixth in terms of the poorest city in the country for cities of 85,000 or higher for its children.

I had Mr. Lee, who finally was able to leave a brochure at each of your tables...our problem is this: we have not ability to continue as a fiscal entity unless we can receive some assistance in whatever form that assistance can come. We are attempting to sell our building. We think we might be near to that. That's going to be, you know, tied up before we can realize that savings. We are attempting to cutback on staff if we...we have cut back on some already. We're doing whatever we can, but we're trying not to cut back on the services which are so vital to the people in greater Springfield. We also run shelter programs and a social work program.

So what we're asking you to do is to help us in whatever way you can, but we need that help sooner rather than later, because one other thing that is happening that's a ray of hope on the horizon is we were successful with the Massachusetts legislature in terms of the House. They approved an amendment which would restore some funding (\$400,000.) which was cut previously from Open Pantry. The Senate did not do the same, but the joint conference committee, we're hopeful, will resolve that difference in some manner. We don't know exactly how. It is also possible they would do nothing. So we're keeping our fingers crossed, but we're really not able to continue to provide these services without your help. That's why we've come here today, and we appeal to you that your action sooner rather than later is what is needed here right away.

Thank you.

WL: Vera O'Connor.

Vera O'Connor: Good morning. My name is Vera O'Connor, and I'm a long-time resident of Springfield, and I'm here before you this morning to first invite all of you to the eighth Springfield Carnival Parade which will take place on Saturday August 16, 2008. You are invited to participate as honorary grand marshals and be in the parade. The carnival parade will kick off at 1pm from State and Catherine Street to Blunt Park.. Hope your busy schedule will permit you to be there. The previous day on Friday, August 15, there will be the proclamation of Caribbean Week, and the Mayor, His Honor Mr. Domenic Sarno will be doing the proclamation, and this will be at noontime on the steps of City Hall. There should be media coverage and the taste of Caribbean food. I sincerely hope you will all will be there and the chairman was there a few years back (totally enjoyed it, I hope).

There seem to be talk about the control board disbanding by June 30, 2009. that will be just before the municipal election and for ward representation. There seem to be a plan to have an auditor, that's what I understand, a comptroller and a chief financial officer to oversee the city when that's done. That to me would mean that the mayor would be like the queen of England (or king of England), a figurehead with no real power. And the city council would be just there for no reason in my book, no power. so I hope that's not true, because we truly need really, you know, governance of the city. We need them to be able to make decisions to put the city back on track.

The trash fee is another topic, and I've spoken out against it repeatedly. I've asked you to repeal it, and you are the only ones who can do it at this time.

Another bone of contention is the Mason Square Library. There is to be a rally on Wednesday at Rebecca Johnson School to show support for taking back the Mason Square Library by eminent domain. The residents feel that the Urban League's purchase of the building at 765 State Street was unfair and the question of fiduciary trust in that transaction is in question. It was taken from them unfairly. The resentment and festering is only growing. As a library commissioner, I can understand their frustration about not having a full-scale library. It is time for closure on that issue, and I truly do not know if that is possible at this time. We have a work to do on that.

On July 1, the new superintendent of schools will take over, and I wish him success and hope Springfield schools will be the best in the nation. This can only be accomplished by parental intervention and parental control for their children. Mutual respect is truly the key, and I wish Dr. Burke a happy retirement from Springfield and thank you all for your time.

Mark Mulcahy: [gives a paper to each board member] What I just gave you is an idea I have for changing the trash program that we have. If you're going to change it from the \$90. a year to the bag plan I think would be difficult on a lot of people. This plan is very

simple. I think if you did nothing it might be just a good, but if you're going to do something, the plan I've just handed you is the same as it is, less for people who recycle, all the way down to almost nothing if you only want your trash picked up once a month. So I hope you'll consider it. I just really wanted to give it to you in person, and I hope you'll give it some thought, and I would say "Please don't do that thing with the bags, because that's going to make a lot of people unhappy, put a lot of extra work into taking your trash out, and I know there's a lot more important things. I'm sure that the education of the students and people eating is a lot more important, maybe you should, you know, worry about that more and we're all happy with picking up our trash as it is. So thanks for letting me speak, and [waves] everybody at home...[unintelligible]...help you refinance or my e-mail's on there. I can spend whatever amount of time it takes for...

WL: Candace Larger.

Candace Larger: Hi, my name is Candace Larger. I am a program director for the Open Pantry emergency food pantry, and I'm here to put in a plea for my program. I run a pantry that serves 27,000 people here in Springfield, and that's people who only six visits a year. Our seniors get 12 visits a year. So that's a lot of people that we serve. I think that if we close (and it looks like we may have to, because we're in such bad financial constraints), it's going to be devastating for the community.

And I wanted to give you a face of who we serve. We serve home owners. We serve people who pay taxes. We serve seniors. we serve some of the school paraprofessionals (bus monitors, crossing guards). We serve taxpayers. Our services are essential, because there's no other organization that does the scope of what this food pantry does. There are many small church pantries, but they will not be able to absorb 27,000 people, and so I think it's critical that some help is given to us. We do not get one penny of the block grant money. And there's no other service that we do, so I would just urge you to really think about your citizens and your children that work here in this community. Thank you.

Robert Nunes: Mr. Chairman, I know we usually don't ask questions, but I'm just curious. You say you don't receive any community development block grant money. Do you apply?

Kevin Noonan: [from the audience] We do, we [unintelligible] Sorry. [comes to podium] We receive \$20,000. a year from the city of Springfield through this community development block grant funding program for the Loaves and Fishes kitchen, but the emergency food pantry has never received any community development block grant and we'd be happy to receive it if they're available to us. We know they're tight.

RN: OK.

Mayor Domenic Sarno: Mr. Chairman, we also...through the chair...Mr. Nunes, we also helped out a situation with the Springfield Partners, also when you...when Old First

Church was closing down, was also able to help out to make sure your food...the tractor trailers there were given out so...

KN: That is correct. When the Old First Church closed, we had to move in a hurry, and Mayor Sarno personally asked the Springfield Partners to let us use their facilities, so we're temporarily housed on the second floor. So through an in-kind donation that was not CDBG money, but it certainly has helped.

RN: So your program's a distribution program.

CL: Food distribution. You have to have cooking facilities, an apartment, a house.

KN: Just let me say that we made our last payroll by our employees loaning us money. We owe our employees \$92,000. now, and we can't...none of us...I mean I have \$4000. left in equity in my house, so I can't...I don't have the ability to loan any more money or otherwise I would. So we need your help to get us through this very difficult period of restructuring. Thank you.

CL: Thank you.

Timothy Collins: [advocates raising the city contribution to the school budget and urges reopening contract negotiations on salaries for new teachers to stabilize the school work force.]

WL: That concludes public speak out.

Approval of Minutes

Executive Director Steve Lisauskas: Good morning, Mr. Chairman.

CG: Good morning, Mr. Executive Director.

SL: How are you? The ext item on the agenda after public speak out is approval of the minutes.

*MINUTES APPROVED UNANIMOUSLY.

Acceptance and Expenditure of Grant Funds for Putnam Vocational Technical High School Project

SL: The next item on the agenda, Item III, is an executive order accepting grant funds. We actually have two of the next items on the agenda are accepting grants funds. This item is with regard to a \$100,000. grant from Massachusetts Technology Collaborative. The MTC, as it is known, has extended a \$100,000. grant to the city for the construction of the Putnam project, and essentially this grant would fund the city's investigation of green building alternatives for Putnam. So in terms of using day lighting, for instance, to

reduce the actual electrical load for the facility, ground source heat pumps, solar, as well as the potential of using various renewable resources in terms of construction of the facility. This grant would fund that investigation for the city, not tie us into using any particular technology, but at least proved the analytical background for the city to make an informed decision. It does not require a local match.

CG: [unintelligible]

SL: I believe there have been a number of conversations between the project manager, Rita Coppola, city personnel and various state agencies, the Massachusetts School Building Authority as well as MTC...

CG: We applied for it, though?

SL: Yes.

CG: I think it's terrific. I'm really glad we're doing it, and I commend whoever it was or whatever group of people within the administration who sought this. One thing I'd add would be I'm...I think that there's a high school I want to, a vocationally oriented high school I believe on Cape Cod that not only has really built out a green...strong green facility, but has also used it as a means to add a lot of vocational technical training for students in these alternative technologies. And I have read where they have had great success in placing people, because people, for example, with experience in solar panels or wind are in great demand. So I would urge us, whether that's part of this grant or not, not only to look at it as a *building* issue and along term...you know, the right thing to do and probably the long-term financially smart thing to do, but I would encourage...I know that's not directly in your purview, but if we could arrange to make sure that whoever's thinking about the curriculum there think about whether there're some linkages, because that seems to me to be a big opportunity in the future.

SL: Yes. We'll take care of that.

City Council President Bud Williams: Just through the chair...just can you give us a quick update on Putnam, where we are?

SL: We are...the architect is under contract and is doing some base line schematic designs now developing some gross or macro level models of the facility (sort of massing diagrams: where you put the new facility relative to the existing facility, what you knock down, what you don't). So those macro level designs are under way. Conversations are on-going with the School Building Authority to do the process steps that they need to follow, this being the first project under their new regulations. So the...and to the chairman's point earlier about curriculum issues, the curricular issues are in the process of being discussed, both at an educational level and with the advisory committees that exist for each of the various trades in the school...in the school itself. So a number of...a lot of the base line foundational work is being conducted now, and it's sort of the behind

the scenes work that is imperative. It's not shovel-in-the-dirt type work that people tend to see, but it's certainly leads to that and is critical work.

BW: And the funding.

SL: Yes. We have received approval from the commonwealth for its 90% share of the project, I think, for a total value of \$121million, and as we go from the massing of the facility to actual closer facility designs, we'll have a better sense. We have rough estimates as to cost estimates right now, but we don't have anything hard and fast, because we haven't sort of laid out the exact size of individual classrooms and fixtures and such.

DS: Mr. Chairman, if I may, too, the executive director and myself will again enter into conversation with our treasurer, Tim Cahill, pertaining to the Putnam project and our statement of intent of \$60million for school issues, but so we are going to engage the treasurer in discussion on that to see how we can...obviously we're moving Putnam project forward and the interest of intent on \$60million on projects that are vital to the city of Springfield, especially on the school side.

CG: Is it mostly renovation [unintelligible]?

DS: Yes, yes. Thank you, Mr. Chairman.

CG: Any other questions on the grants?

****MOTION PASSES UNANIMOUSLY.**

Grants for Recreation Facility at Glickman School

SL: The next item on the agenda, Item IV is a proposal to accept two grants for the construction of a recreation facility at the Glickman School. This is basically two grants. the first \$25,000. is from LA Fitness which is built, has been building a beautiful fitness center at the old Basketball Hall of Fame and then another \$22,000. (\$22,007.) from the Glickman School Parent Teacher Organization, and these two grants combined will allow the installation of the new playground equipment at the elementary school, obviously very generous contributions from both. The Parks and Recreation Department would accept the grants and expend them and also conduct the work.

DS: Mr. Chairman, if I may on this, it's a great example of public and private collaboration. Peter Pappas went to Glickman School, and Peter Pappas is the driving force when it comes to Onyx restaurant and LA Fitness, and has made a substantial investment on the riverfront and wanted to give back to the city and commend Peter on that. Also Lois Smith who is frequently here at control board meetings was a driving force in putting this together and the PTO. And I remember going to their pennies event and other donation events, donating their marathon walk-a-thon Saturdays and they raised about \$22,000. and change so outstanding example and we were out there and Pat

Sullivan from the Parks Department we were out there last week or the week before and they will start construction. So to all those involved especially Peter Pappas, LA Fitness, Onyx restaurant, Lois Smith, the parks department, Pat Sullivan and to the PTO you know that really put their money where their mouth is, principal Kelleher. This was a outstanding public and private collaboration. Thank you, Mr. Chairman.

****MOTION PASSES UNANIMOUSLY.**

Amendment of Contract Term: Police Commissioner

SL: Thank you. The next item on the agenda, Item V, is an executive order with regard to the contract for Police Commissioner William Fitchet. At the end of March, the control board's executive order with regard to hiring of Commissioner Fitchet as police commissioner authorized a three-year contract and authorized me as executive director to enter into contract negotiations with the commissioner. Those negotiations are nearly complete, and the request before you here today is to extend the term of the contract from three to five years. We've had a number of discussions with regard to performance measures in the contract, a number of other issues of interest to the control board, to the city, and to the police commissioner and felt, based on those discussions, it's most appropriate to move to a longer term five year agreement which will obviously provide additional security to Commissioner Fitchet and also provide additional stability to the police department and a longer period of time over which to incorporate the improvements in performance of the police department in the operations of the department.

So the order before you would request an increase from three to five years for the term of that agreement and also authorize the Mayor and executive director to execute that agreement, potentially today, at the...when the negotiations are complete.

DS: Mr. Chairman, if I may, I appreciate your indulgence and consideration of this. We have been making good progress when it comes to the public safety front with initiatives that have been put forth and this again will build on that and also I think as Steve indicated about the stability and we're moving in the right direction on a lot of fronts, but especially on the public safety front, we really are moving in the right direction and we look to get even more supplementing them also. So, I would deeply appreciate your consideration on this situation. Thank you, Mr. Chairman.

BW: Through the chair, just a quick question, Steve to you either the Mayor, just in terms of your negotiating, and we're just about 90%, 95% there, money probably being an issue I would imagine, that's always the case. Just in terms of the powers that are going to be bestowed upon Commissioner Fitchet...about the same as Commissioner Flynn?

SL: Yes.

BW: Identical that's not changing at all in terms of promotions, in terms of discipline, so everything will rest with the Commissioner.

SL: That's correct. We spent a good amount of time working with some legal...with the legal folks, with Commissioner Fitchet with his attorney to make sure that we were clear as to what those authorities were and those authorities are the same authorities that were vested in Commissioner Flynn.

BW: And now on a parallel issue in terms of the civilian review board, is that going parallel same as it was set up prior.

SL: I would defer to the Mayor. I believe that was created under executive order in the prior administration.

DS: Thank you, Steve. That is continued on and we continue to review that, but that is continued on and it is a functioning...functioning board and we'll review the whole situation, but it is a functioning board, and I believe they've met at least two times on that. And we'll continue to review over all as we move on public safety strategy.

BW: Thank you.

James Morton: Mr. Chair, does going from three to five years create a precedent that we might want to be cautious of?

SL: Well, I think every contract is negotiated individually. It creates some—"moral" I think is not the right word, necessarily the precise word, but it creates some "well, my predecessor" (let's say five, ten years from now) "had a five year contract, why shouldn't I..." So it creates an issue for discussion and bargaining in any contract. I think it's...typical. Contract is three years in most cities and towns, but the prior commissioner, Flynn, had I believe a five-year agreement and this...on balance, believe, I believe that, based on the discussions that we've had, to be a fair agreement, balancing both Commissioner Fitchet's interests and needs as well as the needs of the community.

CG: Well, I think if I might ask a follow-up question in that regard. I...the specific order...I realize the reason you're coming forward to us today on this is the...through negotiations, you've arrived at one significant term different specifically authorized, right? You are asking for authority to complete the contract between now and before the next time we would meet.

SL: That's correct. Yes.

CG: So let me ask one question I think in that regard, because I'm assuming contract and its terms will be public information at that point.

SL: That's correct. Yes.

CG: So without compromising the negotiations or being inappropriate, Steve, (feel free to defer if you don't feel it's appropriate), what will the city's flexibility be under the circumstances that (which has always got to be the question you've got to ask, not because I'm presuming anything adverse about Mr. Fitchet...simply, you know, the question in effect when you go from three years to five years, are we *binding* ourselves in some way that, even if the commissioner were not performing well, it's problematic to make a change? What are the flexibilities, if you can describe them broadly, and consequences for the city should, presumably after next June 30 or whatever, the Mayor or whoever has the authority to make the change want to make a change, is that something you feel appropriate to comment on now?

SL: I think if I were to speak just broadly with regard to personnel contracts similar to this, it's not rare to have—and particularly with a performance based contract—you would have number one, in any personnel contract, termination for cause. So if someone were to do something inappropriate (illegal, malfeasance, etc.), you would have the...community would have the right to generally terminate automatically (with hearing provisions included in the contract).

Secondly, on a performance based contract, if one is not meeting the performance goals stipulated into the contract, there would be provisions that indicate a process to address the performance issues. And if they're not successfully addressed, address that issue itself by, generally speaking, mutual termination or termination.

And, generally, personnel contracts will also have termination "at convenience" clauses which, obviously, if you have no reason, it's a convenience, but there is a protection provided to the individual. So I've seen contracts where there have been termination for convenience and you fund the rest of the contract. So "we don't want you to be the" in this instance "police commissioner any more, but you have two years left in the contract, so we fund the remainder of the contract." (I believe that was the case with a prior police chief in Springfield.) So that is not a rare provision.

So those are the three areas that provide, in this instance, that would provide the city ability to address the additional term or any term of the contract if there were problems: termination for cause, termination for performance issues (that's obviously a much longer process), and then termination for convenience with rights and protections provided the employee.

CG: So a consequence of extension of the term might be that in the case of the of a termination for convenience, the period of time for which the city would owe, the term for a severance benefit would be longer.

SL: If it were similar to the police chief's from before, yes.

CG: But not if it were for performance or for cause.

SL: That's correct. And the specific discussion on this contract may indeed not be full payment of the contract. It may be something else.

DS: Valid questions.

CG: And all that will be made transparent when you complete the process. Right, I mean...

SL: Yes, sir.

JM: One last question. And I don't recall this...I'd ask you when the position was posted, was it posted as a three-year opportunity or at any point in the process was it clear that it was a three year position?

SL: I don't recall. I...it was advertised, I don't recall if the advertisement had a...

DS: I don't believe there was a term off the top of my head...

SL: OK, OK.

DS: Doesn't jump out.

SL: No, I don't believe it did, just as I don't believe the superintendent's...I think they were fairly similar in terms of the advertisement. I don't...I don't know...I can't say "yes" or "no," but I'm shading toward the "no." But we can certainly run that down and delay this if you...

CG: I might comment as well, because it's always a little awkward to have to do, you know...to address one term only, but I've certainly encouraged in my conversations I have with the executive director from time to time who shared with me some of the considerations in seeking advice as I would work closely with the Mayor to actually do it. But I do believe this would represent part of a multi-part negotiation, and I think it was the judgment of the executive director and the Mayor (and that I support it from my understanding about what various issues that you know were on the table) that this was a good way to solve a number of related issues as saying this is kind of one-off thing. And so that's the spirit in which I personally was made aware of this and feel comfortable with also the goal of closing the contract as quickly as possible since it's I think in all of our interests to have that set and my understanding is you're extremely close which is the reason you're coming here as opposed to waiting two weeks.

SL: Yes, sir.

****MOTION PASSES 4 to 1 with James Morton voting No.**

Approval of 43D Technical Assistance Grant Application Submission

SL: Thank you. The next item on the agenda, Item VI, is approval of a Chapter 43 D technical assistant grant application. I'm joined by Chief Development Officer, Dave Panagore. The order before you would express the control board's support of the grant application for 43 D technical assistance support. What basically this is: the technical assistance to be provided is for expedited permitting, so the Commonwealth has set standards for cities and towns to release building permits for economic development projects. And this grant would provide I think it's \$100,000.?

Chief Development Officer David Panagore: Yes, the state provides an avenue for expedited permitting of 180 days. The sweetener on the 180 days is the availability of up to \$100,000. to assist the city with its expedited permitting activities. The...however, with a number of cities and towns now applying to 43 D sites, it is possible that \$100,000. will be reduced and that the cities will get less *pro rata* share. We're looking at two sites in the city. One is...both of them are industrial land, the Chicopee River Industrial Park, we've a parcel there, and the remaining 40 acres at the Smith and Wesson, the Springfield Smith and Wesson Industrial Park. Both of these sites are ready, shovel ready, effectively now. There are some wetlands issues on both sites, and, given our experience with the Performance Food Group, we were able to go from agreement to shovel-in-the-ground with one hiccup in about 60 days. So the ability to meet the 180 day time frame for both parcels, which are already permitted, appears to be fairly easy to reach. And, again, the only permit would be a wetlands conservation permit if possible, and we're already in mid-process to permit them.

If you would look at the list of items on the handout I gave you, members and Mr. Chairman and Mayor, of things the community should, needs to do after receiving the funds, the city of Springfield is already doing all of those activities. We have a...declared a point person, we have a coordinating our permitting, we are...etc., etc. So all these activities are already under way. We view this as a way to secure funds for the city to be able to improve its website, improve its software permitting, and *if* the funding comes in, be able to backfill some of our costs for, again, for permitting activities in the city. And I'm available for any questions.

BW: Through the chair, just...so we have two projects now that are on line, Chicopee and Smith and Wesson?

DP: Correct.

BW: And if anything else comes up in the very near future...?

DP: You could add them...you could add those as well to the list, but once a community has applied, there're no multiple grants. Once you get \$100,000. that's all you...etc.

BW: One shot deal.

DP: One shot, one time.

BW: OK. Gottcha, I gottcha.

DP: No matter how many sites you do.

BW: I have you. OK.

CG: The main reason to do this is not the money, I assume. It's really the opportunity to draw...

DP: It's the opportunity, the state marketing as a priority site. It puts you on the list of telling the outside...it tells the outside world that the city...it's another way of telling the outside world that the city's open for business, that we're committed to our permitting process. It's another way of advertising the fact that on these sites, we can go to permit and beat the state guidelines.

CG: Nice to see us being at the cutting edge of these things.

**MOTION APPROVED UNANIMOUSLY.

Update – Implementation of Code Enforcement Study

SL: Next item on the agenda is an update, a three month update, as requested by the board, for implementation of the Code Enforcement Study.

DP: Three months ago, the board...we had a presentation by Matrix on code enforcement. And there was a request from the board to come back and provide an update of actions we've taken. The following this [PowerPoint] slide and the next slide are the action items culled from that report.

First item was "acquire permitting software," and right now, we are using the state bid list. The...Tom Collins, Steve Desilets and Carl Dietz are leading it with the other code departments with a, again we're sticking with a game plan where the first department we would implement would be in the building department, but we would have a comprehensive permitting software. It's in the city capital plan and budget, and, as I say, they are right now doing interviews off of the state bid list. We have developed a spec for items that we wish to see in this permitting software. Again, this would be a gis-based software so that in one data base, in one location, all of the information of all of the departments would be available for inspectors. As you move forward on that, you then with wifi capability would have that information available in the field.

Note the next one, "acquire tools and equipment:" tablets, laptops, being able to issue permits in the field, and with the...again with the wifi backbone system that we're beginning to move forward in our public safety basis, being able at some point being to expand it to the permitting and be able to therefore to provide a user interface on line for the public with certain information that's in the software system is also part of it. Right now, we have two or three different software systems in the city. They...some do some

things some don't. They also do not talk to each other. We would also be backfilled into the city finance system for checking on whether permits are paid, being...eventually you'd be able to pay your permit on line, etc. for simple permits. It goes all the way to making life easier on the city clerk's office for the issuance of dog licenses at the end of the day.

Creating a code enforcement coordinating committee: what we are doing is we're refining this, we're moving forward. We're refining this and we're using the CitiStat program. Using the CitiStat program, we have started working on a neighborhood-stat. Rather than just sort of meeting for the sake of meeting and generally talking about issues, using neighborhood-stat, we are focusing on concerns, problems, issues that arise in the neighborhoods. We've started testing it by focusing on the South End. We had our first meeting last month. We're having a second meeting this month. We then, once we get sort of the bugs out of the system and we know what sort of data we want to look at and how we operate as a committee, moving forward for all of the neighborhoods of the city, probably have the city divided into quadrants, four quadrants. But be able to have a code enforcement coordinating committee based upon real data that is produced for real issues. And then review user fees and update. That's right now my conversations with Steve and have been that basically that we are comfortable at the moment, but we need to review those on a go-forward basis. And that would not just be once, that would be an activity that they recommended that we do on an annual or biannual basis.

The management and process improvements, we're using again the regulatory CitiStat process. We're actually going forward and analyzing on a continuous basis how we're doing our permitting and our code enforcement and our reviews and I can speak to particular instances, but that's an on-going process right now. I will mention that the...as well staffing-wise, the...under review are right now interviews for the housing department, there are a number of positions for reorganization in the housing department. Those are interviews are happening even as today. In the building department, the reorganization has been complete. One of the particular items was to use a senior building inspector as a plan reviewer at the counter. That is currently happening. And as well, one of the...in the housing department, what we're looking at using the CitiStat is we've discovered that if we act pro-actively rather than reactively for a portion of our work, our turn-around time to solve problems is nearly cut in half. And so we are now going to be shifting over to a system where inspectors—we're going to try it out for a couple of months—where inspectors spend a day a week being pro-active in the neighborhoods under their purview. And then as well, at the last item was to re-examine a...re-examine, after about a year or two, whether or not to reconsolidate the departments into a consolidated code enforcement department. But at this time, again, the recommendation was that, by using technology and by having a permitting software system and by having a coordination with the neighborhood-stat, having a single department may not be necessary at all. And we've seen that the building department is now able to focus on building, housing department's able to focus on the housing activities of the city and the health department has been looped into these. And as well, there is a good activity going between the fire department with the building department as

well. So that's quickly an update of our actions that we're taking. I'll be happy to come back at any point and provide further updates on the software or the CityStat neighborhood stat program.

BW: Mr. Chairman, thank you. I'm sorry to hear that you're leaning not to consolidate code enforcement and the neighborhood housing enforcement. I thought that was the track that we're moving on, because you essentially have two department heads, and I think it can use...I think one department could run code whether it's housing or whether it's code enforcement building.

DP: The recommendation from the consultants was to re-...not to leave that issue, but to first see whether or not through technology and better communication, coordination, it was necessary. It's a very interesting question. In Chelsea, where I was, we did consolidate them. Actually, all the health inspectors as well. So all the health inspectors, the building inspectors, and the housing inspectors were in one department. I've seen it to be an effective model, but that was a much smaller department. Here, we have many more inspectors, and so coordination becomes open to question. But again, it is...they did recommend that we re-examine that going forward. The last point I might make (and it's an interesting one) is that now we have housing as a function. Rather than having a housing department that solely focuses on providing funding for projects, we actually have a housing department that investigates the problem and in the same location helps come up with the solutions to the problem. And so by looking at it as a functional activity (housing) and consolidating activities there, there's been some benefits. I've never seen the model before, but it's an interesting one, and there've been some benefits in Springfield. But I have seen both work well.

BW: Because up until a couple years ago, we had one. We just, for whatever reason, I didn't think it made any, much sense at that particular time and my biggest fear is that you have...you still have two department heads competing for the same interests, because people are not always on the same page in terms of what office do I call. Because most people, even though it's a housing issue, might mean overgrown lawns and litter and stuff, they call building, because building has always been there on the forefront. So just from a consolidation point maybe for saving money point that I would hope that we would continue to keep it open, continue to look at it and I know because of just Governor Patrick is just sent down legislation to combine financial interests in the city, personnel departments being combined, because I, I, I still say that "R" word is coming, not "Republican," "recession," and we need to be doing everything that we can do in terms of preparing for the future. So thank you for your presentation.

DS: Mr. Chairman, if I may on that I think...Dave, and I appreciate your efforts and everybody involved in this, key term here "*cross reference*," information being shared and how we've diversified as far as housing department. Saturday, we just had foreclosure event that we were down there that was very beneficial, helping out a lot of homeowners, and they really felt it wasn't a bureaucratic red tape event. They were being helped. Too, we've also diversified on our homeless, tackling our homeless situation with the private investment of upwards of \$1million in the Housing First

program. And so those are two key things that were never being done before in so-called “housing” division. I think that Buddy, Council President Williams, good point that clarify, you know, building is mainly of the, the zoning or construction, structural-type aspect. Code enforcement will always be the state sanitary code enforcement as is with the health department, but we have diversified, but the key thing is *cross referencing of information* and that’s continues to build on our, the flex that I’m looking, flexing aspects, but I think David’s point is not to get bogged down on point of “Is there one?” or “Is there two?” or “Is there deputies?” Let’s make sure we’re able to get the job done right now and we go from there. Thank you, Mr. Chairman.

And may I add on foreclosure was with Secretary Crane and we deeply appreciate Governor Patrick and Lt. Governor Tim Murray, because they \$250,000. there. I funneled \$100,000. through a CDBG in helping people get through some tough times. And we have a letter in to Under Secretary Tina Brooks partnering with City Manager Mike O’Brien in Worcester for \$500,000. apiece, \$1million total on the last leg of this foreclosure tackling of a revolving receivership fund so we can get the properties back on the tax roll, so those are some of the diversifications we’ve done. Thank you.

CG: Thank you for the update.

Authorization to Execute Amendment to Covanta Landfill Service Agreement

SL: The next item on the agenda is authorization to execute an amendment to the Covanta Landfill Services Agreement. As the board members know, the city has a responsibility for a landfill on Bondi’s Island has two cells, Cell 1 and Cell 2. There is a requirement in the immediate term, a need in the immediate term to cap Cell 1, and for a presentation on the landfill services agreement, I’m joined by, actually, hand it over to Ed Pikula, city solicitor.

City Solicitor Ed Pikula: Good morning. I’m going to be accompanied by our outside counsel, Steve Richmond, with the law firm of Beveridge and Diamond and an expert in this area. Mr. Richmond is in private practice. He used to work for a very large private corporation doing this type of work and prior to that was with D[epartment of] E[nvironmental] P[rotection] here in the Western Region handling these matters on that side of the table.

You have before you a vote to authorize executive director to execute a contract to amend the city’s landfill services agreement which exists with a company called EcoSpringfield who is owned by a company called Covanta Springfield LLC. The Covanta team here is present today in the audience to answer any questions. Also available for questions is Mr. Alan Chwalek, the director of DPW. I’ve attached a copy of the agreement to the order for your review, and I’d like to just highlight some of the points. Under the existing agreement as it stands, the city is under an obligation to cap Cell 1 by October of 2009. The cost of capping that entire cell is about \$3.5million. Eventually, we will also have to pay to cap Cell 2 although that is down in the future.

Currently, the city receives what's called a host fee which is about \$3.00 per ton...

CG: [unintelligible]...that the reason Cell 2 is not on the...because I'm looking at this memo that Cell 2 is currently relatively full as well, but that's because it'll be vertically expanded?

EP: Well, yes, there are...both cells are at closure or just about and there is a proposal by Covanta to expand the landfill. The original proposal that had been considered was a simple sort of vertical expansion of Cell 2. After consultation with DEP, the expansion is going to encompass both parts of Cell 1 and Cell 2. (If you can picture sort of [gestures] Cell 1 and a valley and Cell 2, the expansion will sort of cover up the valleys so to try to maximize the value of our land.

Under the current contract, we do receive a host fee for non-Springfield facility ash which is generated from the incinerator facility we have there. And there is potential under that host fee for value from anywhere from \$0 to approximately \$1.5million a year in 2008 dollars. However, last year the host fee was probably about \$6000., so it hasn't been a particularly lucrative term to have in there.

Under the proposed agreement, Covanta will be closing Cell 1 whether an expansion goes through or not. They have agreed to take on that liability and, as I said, that really gets a huge chunk off our books in terms of potential future liability and that's of great value to the city. The city also has a sharing mechanism to cover if there is a potential upside in the Cell 1 closure, and what I mean by that is we've negotiated with certain assumptions as to what the costs are going to be, and if there can be a savings in those costs through the use of some alternative technology or some novel ways, then the city—which would challenge those assumptions—then the city has built in and Covanta has agreed to share with us those savings. Covanta is going to be making payments of \$100,000. per year for five years to help us with our solid waste programs as we go forward. Part of the benefit would receive from our landfill is the ability of the DPW to deposit our landfill, our, sorry, *yard waste* which is collected for composting, etc., and this is an important benefit to the city not only because that could be a large cost we had to transport it elsewhere, but also it generates approximately \$120,000. a year in revenues. That contract expires next March and so we have put terms to assure that that will continue for at least the next four years, and we actually have options for another three years on the same terms that we have now.

DS: Mr. Chairman, if I could just ask a question on that. On the top of the...is this on top of the \$100,000. that Covanta is so not...we continue...

EP: Correct.

DS: We continue that resource to the residents also, the resource to the city's coffers. So that's on top of \$100,000. And, Mr. Chairman, we've been very back and forth. There's been a long-term negotiation, because I'm trying which trying to strike the best possible

deal for the city and liability of cells, the Cell 1 which was almost nearly immediate, Cell 2 will have to be tackled down the road, but trying to generate some of these clauses, and I'm happy that the clause is in there that as technology goes forward, because there's a lot of innovation that is occurring where the city might be able to tap in energy resources for not only savings or as an incentive, but we could try to bring in more money. So again, the composting that is on top of the \$100,000. every year.

EP: Right. That's correct.

DS: With the current contract that we have there.

EP: Well, Covanta will be in charge of that. They are currently negotiating with the current...

DS: Current, OK, but it's on tap.

EP: [unintelligible] of those services.

DS: The lia--...Cell 1 gets capped, the \$100,000. if not hopefully more on the other clause if it kicks in, the \$120,000. which we can continue to get and more plus the out-- not an out-clause, but a clause, advanced technologies give us the opportunity...

EP: Sharing on any savings that they...

DS: And discussion on...

EP: Closing...

DS: On the Cell 2 issue to try to take away another liability on the...

EP: Well, there are some provisions on that, but basically as to Cell 2, the way we've negotiated there is essentially that the city will control the budget for that. It is a liability that we face, but we would not be agreeing to any terms that aren't favorable to make sure that we've got some sort of either competitive bidding process or otherwise make sure that the best technology that is available is used in capping that. So, since we control the purse strings, basically the power of the purse is going to be used on Cell 2. As I said, that is a liability that we still face, and what we've tried to build into the contract is controls to make sure that we keep that at lowest cost...

DS: Mr. Chairman, that liability currently is about \$4.5million, potentially \$4.5million which comes into play whatever way we do or do not go pertaining to dealing with the trash issue.

EP: That's correct. In addition, Covanta has agreed to provide some funding for our annual clean-up day at least for the next two years. That has been a program that we have done around Earth Day each year, and they've agreed to help us with that. In

addition, we've put some novel terms for sharing in some potential upside of tipping fees rather than the host fee from the old contract, and we've tried to make some terms that we hope will be more beneficial to the city. But they're essentially where the city will be potentially receiving a benefit is if Covanta is able to utilize some sources outside of the existing area to bring in ash for deposit in the landfill. And if those prices that they receive are above a certain price, I believe we've agreed on over \$41.00, then the city will split prices over that, so there's potential up-side there.

DS: Mr. Pikula, through the chair, attorney, what is the likelihood that we're going to see the light of day of getting some more money into the city's coffer on that?

EP: That's totally dependent on the market. So if the market for this type of activity decreases, then it...we won't see any. However, as this land becomes more valuable, as the spot market potentially increases, as Covanta is able to utilize this to market themselves as a potential for disposal of waste, then the city will share in that benefit, but if...

DS: At 50% clip.

EP: 50% over and above sort of a base rate, so... And we've built in a base, we've negotiated on the base rate to get it as low as we could so that those benefits start to kick in as soon as possible. Now in addition, we do have some what's called "closure reserve" funds. There is not that much left in there, but we were able to use a large portion of that to repair the leachate system which is on the property which DEP was very intent in seeing that we get done. And any remaining funds from there will come to the city. The CVA has agreed to support our waste reduction program which has been characterized sort of the "pay as you throw" system, but they are going to help us there as we go forward and try to implement whatever we can to reduce our wastes which is going to help saving costs on tipping fees and potentially increasing our recycling.

DS: And again on that situation, Mr. Chairman, we're currently reviewing options. So there's been no decision when which way we're going to go or not, but this an issue we do have to tackle, tipping and tonnage and increasing recycling. But there and all other options on the table and it has unfortunately been depicted in the media. There has been no decision made at point in time as we continue to review what's the best possible way for the bottom line in this city and bottom line the pocket book for the residents of the city.

BW: Through the chair, just on that, in case we don't...we keep the current system as we have now, are they planning to help offset cost?

EP: Well, I think that some of the funding that we've got here \$100,000. for five years. I think that was sort of the concept behind that regardless of the system.

BW: Yeah, but if you attach that to pay-as-you-throw.

EP: No, not at all, absolutely not. This is a term...there's many, many of these contracts. In the past they had what's kind of called "put or pay" where, you know, the locality had to guarantee a certain waste stream, and we don't have anything like that. And, in fact, we want to make sure that their incentives align with our incentives. It's our incentives to make sure we reduce the waste from the city, and that's the best way to control costs, and that's the most environmentally sound way to go forward. And so our alignment of interests through this type of language makes sure that we go forward environmentally sound, fair and cost-effective manner.

DS: Mr. Chairman, Council President Williams, Buddy, on that. This is why this has been long and drawn out trying to strike the best possible deal to get as much money into the city's coffers no matter which way we handle this or not handle it to try to off-set in the short term and in the long term how we...we've tackled...you'll see in the budget presentation, we've tackled...our health care costs are very low, we've tackled our energy costs very well and stabilization. We need to identify on the trash situation how we're going to tackle these costs as long-term on it, so just for clarification.

BW: Thank you.

EP: The last two points...three points. Covanta has provided a or will be giving us a corporate guarantee with the full faith and credit of their corporation behind it. We have...we have agreed to partner with Covanta as we go forward with the potential expansion. And, of course, this is not any sort of transfer of the interest of the land. The city will retain interest in this property which, hopefully, will appreciate. DEP's master plan is to see that this land which is owned by the city, but actually is in Agawam and West Springfield, will eventually be reused for future development. And so whatever we do to close these landfills in the long run will hopefully be something the city can use as an asset to develop in the future once the capping is complete. Be happy to answer any questions.

BW: I just have one, maybe a couple. Just on the annual clean-up day, was there a dollar amount that they're going to...?

EP: Yes. It's currently I think it was geared to cover or help to cover costs with regard to some of the dumpsters or some of the other costs we had. I think it's like \$3500. a year or something...

DS: Point of information, just want to clear up a typo here, it says "\$35,000.", but it's \$3500. I believe?

EP: Yes.

DS: Mr. Clerk? Can I get you to \$35,000.? [laughter]

BW: What duration?

EP: That's only for the next two years. Hopefully, that will be successful to see a partnership go forward where we can get a commitment to go on beyond those years and maybe even beyond those funds, but that is a minimum commitment that we've built in at this point.

DS: And that's sort of, Mr. Chairman, as we've done Keep Springfield Beautiful, Keep Springfield Clean back up and I hope that we can be able to expand that agreement when needed.

EP: I hope so too.

BW: What's the duration of this?

EP: This expires actually 2014?

DS: 2013, I believe. It's either 2013 or 2015.

Attorney Steve Richmond: The landfill agreement remains in place until the landfill is closed. So there's a term on the facility agreement for the Pioneer Valley Resource and Recovery Facility, but the landfill agreement will remain in place until closure. And that could be anywhere between...

EP: ...seven and a half to eleven years is the life expectancy of...

BW: Seven and a half to eleven .

DS: Was it, Mr. Chairman, something about 2013 or 2015?

SR: I believe that would be the duration of the contract that the city has with the Pioneer Valley Resource Recovery Facility.

EP: This is one contract, essentially, of a constellation of contracts that includes an installment sales agreement of the waste generation facility, a waste services agreement as well as a landfill services agreement. So these are all kind of interconnected. It's a very complex area.

DS: And where did...Mr. Chairman...where did you stand on the composting negotiations, with the current...? That's been very successful with as DPW will depict. Where does that stand?

EP: Covanta is handling those negotiations with the contractor...[unintelligible] provide an update on exactly where they stand. Last I checked, there was...there were positive reports.

BW: Is there any way to give us an idea of the total value of this contract. I know you're still negotiating. Can you speak to that, attorney?

SR: Sure. We had the engineering firm of HDR do a net present value analysis of the different options we were looking at. And under the current agreement with no amendments in place, the city would have a liability of approximately \$6.3million to go through closure of these landfills, the landfill cells. If we assume that there's no revenue share on the portion that Mr. Pikula spoke about, so the worse case market conditions for waste disposal, the city would still save approximately \$2million. And if we assume that the market conditions are better for landfill operators so that the waste disposal fees go up more, the city would save proportionally. And HDR ran an analysis of sort of a best case tip fee which was in the mid to high 60s, I believe, per ton. And that came out with the city seeing positive cash flow.

EP: In other words, we cap both cells plus made money.

DS: Because we're locked, Mr. Chairman, because we're locked in to a price.

SR: Yes. We get 50% of everything above that \$41. strike price.

DS: Because I obviously as I've seen first-hand, trash is big business, so I have everybody deserves to make a buck, but, again, the state hard line here to try to strike the best possible deal for the city's coffers.

BW: Do we...we're situated...we...the land is in between Agawam and West Side...

EP: We own it.

BW: We own it. What's the value of the land?

EP: Umm...I'm not sure

BW: If you know. If you know.

EP: It's property that actually the city purchased in the 30s, so we've owned it since then.

BW: And then the game plan is to after we cap Cell 1 and 2, hopefully future development...

EP: And, yeah, I mean that's probably not going to be meaning tax dollars for us, but it will be tax dollars for the other towns, but it would be either a sale price for us or lease value. So that would be...that's where the potential value is.

BW: Just...I mean I'm sure you've dealt with situations like this in other municipalities. Have they worked? I mean, does it really...once you cap the landfills?

SR: Landfills differ depending on site conditions, but generally they are available for what's called "post closure use." There's a variety of uses they've been put to, everything from park land to commercial development.

BW: Even commercial development?

SR: Yes.

BW: Thank you.

CG: Any other questions?

BW: Just a comment, I just want to commend the Mayor and Ed Pikula and Al and the team. I know it's been long hard negotiations, but I looks like they've got a real good outcome. Money's on the table. We're in compliance. Environmentalists...people aren't chasing us. That's always good. We're becoming more green, so I just hope this relationship continues. I know Covanta's a very outstanding group, been around a long time. They do a commendable job, and, hopefully, we're on the right track. Just want to thank the company for showing an interest in the city.

CG: Likewise and happy to move the proposal. Second?

****MOTION PASSES UNANIMOUSLY.**

Amendment of Bond Order

SL: Thank you, Mr. Chairman. the next item on the agenda, Item IX, Amendment of the Bond Order. As the...as you know, back in January, the control board authorized issuance of \$11million in debt for a variety of capital projects. The order before you is to amend that bond order. the city did not sell that \$11million worth of debt. We're looking to go to market on a short-term basis in June to finance those projects. So the order before you would finance, amends the January's bond order to finance the projects we discussed at the last control board meeting, that being the renewal of South End neighborhood through a variety of capital investments as well as the work anticipated out at the Chapman Valve site, both (one a neighborhood development program and the other an economic development program). So the order before you is 06092009, would amend the January authorization by approximately...by \$8.5million to incorporate the value of those projects that were discussed by the board at the last meeting.

BW: Just, through the chair, you're just anticipate any problems in terms of selling the bonds? I mean, what's the market like now?

SL: Well, I think if we were going for...it's going to be a little bit of a misnomer, but "long-term/short-term stuff." If we were looking at going a couple of years out, then the problems in the housing market and the liquidity that we've been seeing, liquidity [unintelligible] been seeing there may impact the city. But I think since we're looking at

short-term couple-of-month note to be taken out by permanent financing in probably the month of August, I think we'll find the market readily accepting the Springfield debt.

BW: And this will be on the street if this vote passes in affirmative?

SL: If this vote passes in the affirmative, we will be meeting probably with rating agencies within two weeks and have the note floated before 6/30, June 30, sorry.

BW: Thank you.

SL: Sure.

RN: What's the principal and interest on this?

SL: The principal and interest is for the first year about \$480,000. and then beyond that, I believe, \$1.9[million?]. The vast majority of that is already included in the budget. There is a couple hundred thousand dollars of work that needs to be done to finance the second and third years.

RN: Is it totally funded by through the city budget?

SL: That's correct.

RN: No state funds, the loan order nothing? It's all operating.

SL: Yes, sir.

RN: Thank you.

CG: Any other questions?

****MOTION PASSES UNANIMOUSLY**

Budget Presentations

1) Presentation on City Budget

SL: Thank you very much. The last item on the agenda are some brief budget presentations. As the board knows, at the meeting of June 23, you'll be asked to approve the FY09 budget for the city of Springfield, and TJ Plante, the city's chief financial officer, will be doing a brief presentation on the city side of the budget, and the CFO for the school department, Bob Peters, will be doing a brief presentation on the school side of the budget. TJ?

DS: Mr. Chairman, I want to...first of all I want to thank TJ Plante and his staff, the financial division, and also with the assistance of the financial control board with Steve

and Trish and everybody that's been involved, and I look forward to the continued involvement with the city council. We've really tried to...we have put together a balanced budget, living within the parameters of the budget and only be accessing the 5% of the reserve which is \$2.3million, and we've been able to do this while all the surrounding communities are facing layoffs, basic service cuts, and school closures. We've been able to do that and honor all our collective bargaining agreements and contracts and move forward on some initiatives that I see at that are important to the city and that the control board has seen that are important on the city, so we're proud to put this across. And we do this cognizant of ...and I think Council President Williams is right; Buddy's right. The "R" word, that we might face some difficulties come the year FY09, but definitely we'll look to face difficulties in FY10. And I think that's important that we have those reserves at that point in time to keep the momentum building. So, you know, we're proud of it. TJ's going to give a brief presentation that we made to the...that I made to the city council. And I might chime in once in a while, but again I want to thank everybody's been involved. We've worked long, hard hours and had to make some difficult decisions. Department heads originally had come in, I believe, \$30million over what we requested coming in and so we had to make those decisions based on being fiscally prudent and responsible to the taxpayers. Thank you.

JM: This is the same presentation that was made to the city council?

Chief Financial Officer TJ Plante: This has been changed slightly just to reflect a few changes that we weren't aware of and just kind of a few points that we wanted to kind of add to it.

JM: OK

TJP: So it should be a slight variation.

JM: And Council President Williams, how is the review by the city council, how is that going?

BW: So far, so good, but the council members have some questions as to some areas. Personnel department: there's some concern. The IT department: there's some concern. And the 50 patrolmen, police officers, depending who you talk to, there's some concern there. So it's just trying to get to the bottom of it. And I think you'll see the reflection there, their concerns in the budget that we try to put together to present to the control board on the 23rd.

RN: Mr. Chairman, going through this presentation, there is not a summary of the department budgets, the appropriations?

TJP: There is not in this presentation, but I can certainly get you a copy of the Schedule A.

RN: OK and I would like to see the local receipts, a break-out of the local receipts.

SL: We have that for you. I will get that to you today.

RN: What is the purpose? Is the presentation and the vote on the 23rd?

TJP: Yeah, there's a...

CG: I'm sorry. I think where we are from a process point of view was that when, when we this...elected this year to take the different path of not sort of directly setting with the Mayor's office, you know, on a...on a joint basis, the budget, but rather saying to the city of Springfield, the Mayor and the city council "Why don't you go through the process you will have to go through in years to come? And we will act chiefly (nearly exclusively) as a check or balance on some overall considerations, particularly with regard to the sort of fiscal health with which it's balanced and soundness of the core assumptions." When we made that decision, of course, it's been a bit of an unprecedented adventure, so some of this is ...is happening in real time. We've obviously made the decision last time to provide some more time.

I had suggested we have two meetings, one such that we could get a presentation before, you know, we'd have to finally make a vote should there be any issues of controversy. I believe the way this is come forward—and this is certainly an opportunity for us...all of us who are not attending these meetings to just get a basic picture. I believe we face probably two possible outcomes, and I just want to address them frontally. One is that a final budget's agreed to by the Mayor and the city council and put in front of us on June 23, and certainly I will encourage us to stick to our guns and vote for it regardless if we would disagree with some of the specific priorities if it meets our fiscal requirements. I think we face a more complicated dilemma if the city council votes to reduce any item, and so we end up with sort of. two budgets in front of us, a mayoral one and a city council finally approved one. If this was just a city with no control board, it would be that finally approved one. And I think, quite honestly, my personal *hope* is that the Mayor and the city council find a way before that June 23 meeting that they agree on *any* changes, because otherwise we will be in the dilemma we wanted to avoid in a way which is intruding on local policy making, decision making. So I think that's yet to be played out. Every mayor I know—I think Mayor Nunes, you probably could speak better to this than me—has that delicate balance with the city council, and I'm not trying to put my thumb on any part of the scale when I say it that way. It is...we're from out of town. But I think that's going to be our dilemma, I think. So I think that's the primary reason. I don't think we should hesitate to ask questions or ask for details or question assumptions, but for the purposes of useful discussion. But in terms of our process role, you know, I think we've already elected to not delve into details that local control made choices on, other than in the broad context of fiscal good health.

RN: On the 23rd, I would like to see a budget, an appropriation FY08, FY09 appropriation outlined with the revenues as well as a...the local receipts, how you came to the number that you did. Because I'd rather see one more numbers than kind of a general presentation.

TJP: OK. Sounds...we certainly can do that, Mayor Nunes. You know, I guess what you have before you today is just a...we've been asked to do a broad overview of the city's budget, the process we went through, kind of high level detail. We have all the back-up that is necessary. We can even provide that prior to the meeting on the 23rd, so if there are any questions we can address that.

As the Mayor pointed out, our budget is balanced. It is based upon realistic revenues, and we can sustain this through FY09 and, hopefully, beyond. But it also, the budget is cognizant of the, you know, looming economic crisis and the fact that we are relying on state aid a lot more than a lot of other communities. So we have that in the back of our minds as well. This was a difficult budget year. The budgets, as the Mayor said, came back \$30million above what the revenue estimated for the city was, and the Mayor actually went through each line item with considerable scrutiny and detail to make sure that we're only budgeting what we believe was appropriate.

As far as highlights, our FY 08 budget is approximately \$532million. If you recall, the control board passed a \$528.8million. We were able to demonstrate a little bit more revenue in the local receipts for the parking meter revenue as well as the Mayor tapped into the 5% allowed, \$2.35million of the reserve fund, to help close the gap. It is an increase of \$22.8million overall, a 4.5% of which \$415million approximately is the non-discretionary cost associated with salaries, wages, benefits, debt service and other costs.

Highlights: the Mayor's budget, it does include 50 more patrol officers on the street. There were four departmental reorgs that began in 08 that are funded in FY09. There is the funding for the 311 citizens' service center, 311 call center. For the first time, the city actually has funded pay-as-you-go capital at approximately \$2.9million as dictated by the financial policies and procedures. The...right now we're assuming a payment of \$2.6million loan repayment reschedule. (That assumes an extension. There is the footnote that the legislation that is before the House and Senate now, that has been filed by the Governor, that would be a 12 year extension total which would be a \$4.33million pay back, and that we will end up having to adjust based upon how we want to deal with the new information that came up late last week.)

DS: Mr. Chairman, I also want to thank Secretary of Administration and Finance Leslie Kirwan that any adjustment that's made will have the ability to look into the two accounts, because we based it on 20 year, which is 2.6, and I think, depending what happens in the legislature, we're looking at 4.344. Because anything else than that would have moved to we have to lay off in that point in time. So she's given that flexibility, and I appreciate the control board on that as we move forward. But we'll wait and see what the legislature does do or doesn't do.

BW: I didn't hear what you said, Mayor, lay-offs?

DS: If...without the caveat of being able to go and/or the reserve or the other account. Then you'd have to look at bodies. We've been given the opportunity through the

administration, Governor Patrick and A[dmistration] and F[inance] and the control board that there is accessibility to meet whatever that gap is, whether it's \$1.8million or \$1.6million at that point in time. Depending what the outcome is on the legislative process. So I believe we're moving...we obviously moved in the right direction, and payback of the extension is key for the fiscal stability.

CG: [unintelligible] tough questions about that, because I think first of all, the legislation that's been filed provides for 12 years including the current fiscal year?

TJP: Correct.

CG: So do we expect to take a vote at June 23 on that payment for fiscal 08?

SL: Not required to, but it may be prudent to do that. You could do the...in year two, years one and two payment, but I think it would make sense to do it on...as part of the budget....

CG: I would say as well. And it...does the legislation provide any...is it...the extension of period of time does not change the ambiguo- or lack of specificity of about what the payback schedule needs to be, correct?

SL: Correct. It's...it's open as to the payback schedule itself.

CG: So I think one thing that might be worth a moment's discussion today, and I think you what you just spoke to, Mayor, what would be the fiscally sound thing to do with regard to the payback, assuming the 12 year total period, which is as assumption I certainly would be prepared to support based on the fact that our understanding is this legislation has been discussed meaningfully with the legislative delegation, and our understanding is that the legislative delegation supports it. [unintelligible] the Springfield delegation at the minimum supports as long a period of time as possible for Springfield. So I think it would be *prudent* to assume the 12 years. And I think we should wish for more, but plan for that.

I guess, as I understand it, the currently borrowed and spent amount of money is about \$32million which divided out over 12 years would be (you [SL] and I were working on this on the drive in this morning) \$2.67million, \$70,000. more than has been provided for, but just about exactly what was originally provided for. I personally think that's a prudent thing to start payment schedule (I just want to comment, I'm not asking necessarily for a vote, but asking for other comments.)

Recognizing that the other \$20million which we hold in an account where we have discussed being quite prudent about using it for economic development purposes where there would be prompt pay-back opportunities or, furthermore, as a important extra cushion that's beyond our \$50million in reserves. Given that we have spent none of it, I don't feel personally a great need to pay it back on a *pro rata* basis, because you know it's available to the city to pay back. I think that would change (and I think it would be

an interesting discussion to have) were the city to use \$2million or \$5million or \$10million of that amount. But given that it is sitting there today with, at the moment, no particular short-term plan to spend it, I mean I would be...my own view would be I'd be comfortable doing it at the \$2.67million level which would be \$70,000. more, but, you know, essentially the same as you budgeted, Mayor and as the city council's looking at.

BW: Yeah, plus, Mr. Chairman, we are getting interest on that money.

CG: We get interest on that money which is...

BW: Over \$1million a year.

CG: Which is I think a little less than that, but it's in that range. It's in that range, and, you know, I think it gives the city an added bit of financial flexibility which is one of the reasons I supported drawing it down, knowing that it's going to be most likely 12 years than 20, I think will raise the burden, the standard, on payback for economic development use, because the payback will have to be faster, and I think that's a measure of prudence how that gets done. But I personally, as a matter of standard, would say paying it back *pro rata* over time feels right to me, and doesn't put, you know...fortunately, doesn't put any extra squeeze on the city at this time which I think is important. I do think, despite all the rhetoric on Beacon Hill, it will be a *shock* to people that, in fact, the city of Springfield is paying back this money. And, much though I would be, like anybody in this room, eager to see it spent on other things, I think, frankly, it increases the strength of our moral argument for increases in the standard budget to say "Hey we're paying back the loan, you know, within five years of your having made it on a, you know, not on a wish and hope and a prayer, but on a linear basis." So I don't know if there's anyone else who wants to comment on that, but that's an important assumption...

RN: That's an important assumption [unintelligible] \$20million...as far as, we still have our options as far as...

CG: We would retain under this proposal total flexibility to use the \$20million within our legal limitations, but since we haven't used it, I don't feel any great moral obligation to pay it back 1/12 of that \$20million *this year*. It seems to me, you know, our job is to do what's best for Springfield and that flexibility, that loan originally was \$52million, and the fact that we've able to balance the budget faster is just a positive for Springfield. So that would be where I would personally come out. But I want to have this dialogue only, because I know it's one of the major loose assumptions that, you know, I don't know whether you guys want to comment or other members of the control board...?

RN: [unintelligible] the \$20million if there's a huge economic development project...OK.

CG: Oh no. I hope that we find a quick payback use for it or at least the sleep-at-night confidence that we have \$20million in the bank and that he can use, you know, in a crisis which was the original intent.

DS: Mr. Chairman, just to...when speaker DiMasi was here (appreciated coming out on the invite) first thing [unintelligible] saying [unintelligible] been here five months and five years are issues that he was impressed, "Do you have that money built in your budget as a payback?" I said, "I already do." That was number one, that he was impressed. that we have the money built in, the payback. On the...I'd hate...on the \$20million...I'd hate to use a credit card to pay off a credit card. So I think that's the way we should go and try to whatever the gap is to fill that gap, but I don't want to use a credit card for \$20million to pay off another credit card. And if we have to access that money for one-time revenue generation for the city, fine, but I'd rather... So it's there with interest; we're not touching it right now. We build off with the reserves that we have right now, but we're looking, you know, we're looking for clarity on this. We had to go, Chris, you're right, we had to go on a lot of different assumptions here, but the Speaker was impressed with all the uncertainty that we have, he first he said "Did you have it built in?" And I said, "There's a payment built in the budget. We're ready to go this year. We just need to know the length." And [unintelligible] was banded about first on that so we'll see what the legislature does or doesn't do, but...

CG: Councilor Williams, do you think the city council will be [unintelligible] I'm not actually asking you to speak for that body. I realize they don't...as president, they give you a title, but not all the votes, but do you feel that it's...are you comfortable, let's say, as a member of this control board, with assuming coming up out of this meeting that the \$2.6million only up by \$70,000.is a responsible assumption?

BW: I think it's prudent, and I think it's the right thing to do. And I think like you think in terms of the economic development piece if there was a project that we could trigger the \$20million, that it made sense for the city and that you can't guarantee a return, but the return would look extremely inviting, I would say "Go for it." But other than that, I think just leave it in the bank, right where it is.

CG: Comfortable with that, so I think for what guidance that's worth...because I do feel that the loan repayment is particularly a high duty of this control board to weigh in on vs. any of the, you know, city level expenditures, because, you know, the loan is part of how we came...

BW: I don't know. There's talk of extending the loan even further, but that's talk, and it could be, could not be, but that's, I guess that's going to be on the table at some point.

CG: Great. Sorry to interrupt.

TJM: That's quite all right. Thank you, Mr. Chairman. Quickly, just to [unintelligible] the highlights, we had to increase the veterans' benefits, because right now everyone's returning from the Afghan and Iraq war, so we increased that to make sure that we're fully funded. (This does come with a 75% reimbursement from the state.) And we fully funded the time...implementation, the time labor management system that the city's moving towards.

This [PowerPoint slide] is just a quick timeline overview that shows the process, of the high level detail of when it's being presented and when it's being rolled out. The important thing is that all the detail will be provided at the June 23 finance control board meeting. Just in terms of revenue, there is basically the biggest driver of our budget is the fact that we have \$63.2million in state aid [sic], approximately \$336million or so. This is an important fact only because it, you know, drives a lot of our decision-making. If there are going to be major cut-backs during FY10, we need to be cognizant of this, because it drives just about every decision we make. Of that \$336million, \$286million approximately is used for education, direct state aid.

This [slide] just provides a breakdown of the state aid detail. There's been a change from 08 to 09 is approximately \$7.1million, and the biggest reason that's gone down is because of school building assistance. They completed their audit, and there are some costs that we can no longer claim on—get reimbursed for. Chapter 70 has gone up by \$8.3million or 3.3% and that's fully on the school department.

Local revenues: the city essentially can only control 21% or so of the revenue that we generate, and that's \$193.4million. The lion's share of it comes from the property taxes. The city is in line to collect \$152.2million in property taxes, and that actually is the 98% collection rate, and it includes the new growth of approximately \$2.5million and an overlay appropriation of \$4.5million, for a total of \$193.3million.

Expenditures: approximately \$366million...

CG: [unintelligible] of the...could I ask you, the 2 1/2% levy increase going up 5.5%, how does that work?

CJP: It's based upon the re-evaluation year that we had recently, so it adds to the property tax base.

CG: Got it. And the lower new growth estimate?

CJP: Again, the new growth has gone down, because of the fact that this is...last year was...FY08 was a re-evaluation year. The new growth...well, hopefully, we'll achieve that, but I'm assuming we're not going to find as much new growth.

SL: A large portion of the increase of the new growth: the city had not previously worked to account for personal property tax and other items that went into new growth in that year. So, for instance, pizza ovens and equipment used in small businesses, the city had not gone out and included that. So that was put into new growth. That was a portion of that 4.3 was the second of two year effort to account for all that information that was logged in at new growth. Now that you've sort of identified that stuff (it's not coming in new any more) it's part of your base.

RN: Are you increasing local receipts by \$1.7million?

TJP: Yeah. That's approximately 4.4%. That's...we have identified \$1.4million or so that was the Springfield Parking Authority revenue from the parking meters. Actually, \$866,000. for that is for parking revenue that we didn't identify prior to the control board approving the \$528.8million revenue piece. So...just other small increases which we'll provide the back-up detail of how the \$1,7million is derived.

RN: You have back-up detail?

TJP: Yes, we have all the back-up detail for that.

RN: Because I'd like to see it...the schedule on that.

TJP: OK, so back to the expenditures. Approximately \$366.7million is spent on personal services and employee benefits—that's our investment in human capital. And what made this budget, helped contribute to the budget this year is the fact that the city has done a great job of controlling the expenditures. A lot of the efforts of the past few years are actually bearing some fruit this year. We're really reaping the benefits of the long-term contracts that we negotiated. That's allowed us to do better financial planning and better understanding of where we're going with these contracts. We have a personnel review committee that reviews every single hire, back fill, promotion to debate the merits of each one.

DS: Mr. Chairman and TJ on that, we had 40 something odd positions that...

TJP: Yeah. Actually, it's 72 positions overall. There were approximately 30 or so or just under 30. It helped to balance the budget for FY09. The Mayor eliminated backfilled positions (essentially positions that did not have bodies in them were eliminated), authorized head count as well. And if there were backfills, they were made with the cognitive[?] idea that we're going to be able to sustain this over the long haul. And approximately...well, 72 positions were reduced from the request. That includes the 40 or so for actual backfilled positions that 30 new requests for FY09.

DS: Thank you, TJ.

BW: You said 72 positions were eliminated?

TJP: Oh, 72 positions from the requests? The departments came in with \$30million in additional requests above and beyond, and a lot of them were for new positions, and those ones really weren't even entertained.

BW: How many positions are unfilled?

TJP: I'd have to get the exact number.

BW: Could you get the exact number for me?

TJP: Yeah, I mean the unfilled ones were 40 and change, but I'll get the exact number.

BW: So they're funded, but unfilled.

TJP: Well, I'll have to get that number. They're number of positions that have been approved for funding, for funding but not necessarily approved. There're two steps to the process. One is they get funded in the budget, and then the next step to help is the personnel review committee. So even if it's funded in the FY09 budget, they have to go before the personnel review committee for review to make sure that they're actually going to actually get all authorized to fill those positions. It's just another check.

BW: [unintelligible] once they get to that level, they're usually filled...fill them.[laughs]

DS: That's not so.

JM: We've got 42 here that didn't get filled, right?

TJP: Right.

SL: Funded unfilled. [nods]

BW: Funded...

TJP: That are no longer...funded.

SL: More similar to a federal model, actually.

DS: Checks and balances. That's, that's...I'm not saying that some departments, obviously, cash starved for many, many years, but when we're trying to be fiscally prudent... Maybe we can revisit this down the road, maybe not. We made those tough decisions.

TJP: The city has also fully funded the reorganizations of four departments. We'll go through those a little bit later in the presentation, and then we're still reaping the benefits also of the move to the GIC which has been a tremendous savings to the city. A lot of the savings initially came with the implementation of Mass. General Law 32B where we mandated that Medicare...that those eligible for Medicare Part A and Part B receive those benefits. And we've also had about 18% savings each year since we moved to GIC.

DS: And just to...Mr. Chairman and board members, I think we're going about 18% or 22% increase. Now we're going at about as a 9% and stabilizing that through with energy costs, ESCO with Pat Sullivan will be able to stabilize as best we can on that, so which helps in the bottom line.

TJP: This [PowerPoint image] is just a graphic that shows where we were going and where we...now where we are going since we've shifted to the GIC program. We've

done four reorganizations. All of it is to streamline the organizational effectiveness and efficiencies of each of the departments.

The purchasing department is now becoming more up-to-date and requires more qualifications of their buyers or their purchasing agents to make sure that we are streamlining our procurement process. (This is important, because if we streamline...the better we streamline the process, the more money the city can save by utilizing bulk purchasing or doing citywide procurements.)

We're in the process of implementing the treasurer/collector's reorganization which provides a front-end office with the collector's office takes all the payments and then the back end office for the treasurer's office. The payroll division is also being implemented. This is an important re-organization, because it actually sets up a payroll department that's, you know, fully functioning and actually has the necessary job descriptions and skill set for a \$366million budget if you will or...

DS: [unintelligible] we're currently consulting out for that, so that was another cost that we which cut down our consulting costs that are being paid right now dealing with the payroll situation.

TJP: Right. We currently have a consultant with Executive Alliance to provide these services, and they've highlighted some deficiencies in our payroll area and helping us correct them, and this reorg is the next step to move ourselves away from the consultant and bring it back into the city's control. And then the building division has been also reorganized to make sure that we're up to date on all certifications and funding the positions at the appropriate amount.

BW: Is that...how does that differ from what Dave Panagore's doing?

TJP: I believe it's actually in conjunction with what David Panagore's doing.

Education, I'll leave for the school department to really talk in detail about the education. Essentially, it's a \$303.9million budget for the school department, and if you break it down, based upon the district enrollment, it's 25, 277 (I believe it's from the October enrollment date.) Bob Peters should be able better to speak to that. We just got it pulled together because it's an interesting number and statistic that we get requested all the time is "What is the average cost per student?" We're showing it in two different ways. One is the \$303.9million that is the school department's FY09 budget. And the other is if you really...what the next chart is kind of breaks down how it's could get considered slightly higher. This actually has no real, you know, back up detail except that it's an interesting fact as to how much we actually do spend on the school department, but DOE does not require any of the extra spending. It's just kind of a way that we are showing the true expenditures on the school side, city vs. school. This is something that was requested from last year's control board, and we just think it's an interesting story to tell. Overall, the school department gets \$326million out of a \$531million budget, and the school spends approximately \$205million. However, I do want to point out one note,

as you'll see in a later slide, that the health insurance number that's on this chart has gone down slightly. This is because we've been going back and forth with the superintendent and school committee on what the proper health insurance and retirement numbers should be. So this will be adjusted once that is officially decided upon. But, again, it's just to kind of show "Here's what it is." \$303million is the real budget, but if you wanted to add in costs such as the indirect costs, the Schedule 19 and then some debt service for the school department buildings, it's just to kind of show what the true cost for the city is. Then when you add in the grant funding, both city and school, the city has approximately \$630.8million operation.

Briefly, I'll just talk about the school department health insurance and retirement, because I know there's been a lot of questions about what's happening with this. And, essentially, what FY09 is the actuals for the health insurance and retirement based upon employees' name and type of plan that they're enrolled in. And that...so it's actuals. The trade-off for doing the actuals, we know there's a large increase in the school department; what it was is that we actually level funded practically our Schedule 19 (we only went up by approximately \$50K).

DS: [unintelligible] \$80,000.

TJP: ...and so we're still providing some subsidy to the school department, but not as much as we had in the years past.

And this [slide] is just a free cash history. It shows where the city has been and where we're going. We have a very positive free cash position.

And in summary, just breaks down where our revenues go. 48.4% of the school department is direct, but then also you got to add in the fringe costs and other areas, so it's not as fair about apples and apples comparison control budget or control amount of the school department is, because employees' benefits are lumped into the same category. Then just showing quickly overview of receipts vs. the expenditures at a high level.

BW: Just, TJ, through the chair, just on those your expenditures and I see pay-as-you – go capital, is that over beyond we put in our for trash fee?

TJP: No, pay-as-you-go capital is...

DS: Pay-you-go is so we can one time...we don't have to bond for situations. We're able to something comes up we do something want to move for something like that, we've been able to build that in to the budget that instead of going out to bond that we have an account that we can go into short term and take care of a situation. It has nothing to do with trash whatsoever.

TJP: And then just to recap, we have this discussion already about the loan repayment, and our budget's balanced, we avoid layoffs, we're not...we're fortunate enough not to be

in similar situations of other districts where schools are being closed and we fully fund all our collective bargaining agreements.

BW: Just a question, through the chair. Just in terms of the debt service, it's about 7% of the total budget? Is there any way that we can do to look at that debt service, restructure where you knock it down to 5%, 4%?

SL: Well, we...the control board in the bond issuance of January of 2007 did substantially restructure the city's bonds. The rating agencies consider, I think it's about 6.7%, 7% is where the city is right now is a prudent. It's a reasonable amount of debt. The...on the downside, the issue is that Springfield has lower wealth characteristics than a lot of other cities and towns. So its debt burden is considered reasonable. It's wealth characteristic is lower, so you have to balance those two out. So we did a significant amount of work to restructure the city's debt. Before it was actually quite a poor structure before. It's better now; we'd like to make it better and continue to manage it down, but you still have to invest in the city's infrastructure.

BW: We used to go to Moody's at some point in time....

SL: That's correct.

BW: Are we going to do that or is that gone by the wayside?

SL: No. for this bond issuance, we'll be going to Moody's and Standard and Poor's, both firms.

BW: At what point in time?

SL: Probably a phone call with them within the next two weeks and then meeting with them before finalizing it.

BW: Because normally, we...in the past, we've done it before budget time or at least in parallel to budget time.

SL: If you are in...if you are a fiscally distressed community, they probably want to meet with you during your budget time regardless of whether you're selling debt. You typically meet with them before each sale if you're looking for new ratings. So whenever we'd issue bonds this time, in this instance in August, we'd be looking at meeting with them prior to that.

BW: And what was the rating the last time we dealt with Moody's?

SL: I believe the city...Moody's...I believe it was Moody's had the city unrated; it pulled the rating a number of years back and took it from unrated to...and then moved it I believe to Baa. And S[tandard]and P[oor's] was I think, was Baa2 from Baa3. So S and P moved it up one notch; Moody's moved it up 2.

BW: So hopefully we go to Moody's this year, the books are balanced, cash in the bank, you should be bumped up (I would hope).

SL: Yes. Their rating gives you strengths and things you need to address in their ratings report, and the city and the control board had worked very hard to address those issues over the last year and setting it up prospectively so it works well. So we are hopeful.

DS: Just Mr. Chairman, Buddy, Council President Williams, we have...we look very forward to going down. I look very forward to going down and telling them our story, and we're hopeful that we can get a bump. And if we get a bump, that's going to cut down on our debt service and could some little more money to the bottom line for some things that we've had to tell some departments whether they deserve them or not to hold off on, because you know but we...I look forward to going down there. We really do.

BW: To the Mayor through the Chair, I think that's very critical that we [unintelligible], on that, because you could potentially save millions of dollars just by presenting your books and being financially sound, which I think we are...money in the bank, Mr. Chairman. You know more about that than I do, could peak to it a lot easier. But I think that's, that's important, and I don't want to blow that opportunity.

DS: And, Mr. Chairman, I think through, you know, a lot of the individuals when you're out there, this is not a...it's not a big picture item. And this comes into play when through the control board when you make it in these difficult decisions that by doing these whether cost-effective or being fiscally prudent, in the long term, can save you some money, maybe come back and do some of the things that the residents and department heads are looking for. So it's not sexy, but comes in the bottom line.

2) Presentation on School Budget

SL: And a very brief presentation from CFO Bob Peters and Superintendent Joe Burke.

DS: Steve [unintelligible] TJ. Good morning.

School Superintendent Joe Burke: It's afternoon now, so amend that.

I'm going to start out with this, the first few [PowerPoint] slides in this presentation are basically about what it is that we're trying to accomplish with this budget and so let me start by saying that the theme is preparing students for success in the 21st century. We have three major goals in the culture of achievement: maximize student learning, maximize adult learning and productivity, and then maximize the support for the learning.

Essentially in FY08-09, we're going to be focusing on these four areas:

- provide "best-in-class educators" for the district by implementing an effective performance management and development system

- guarantee internationally competitive course progressions for our students, particularly at the middle and high school level
- engage family, community, political and institutional partner support and
- operationally data tools to improve system performance.

The next few slides talk about 21st century skills for students. And we put this into the presentation principally because people always ask, “What do you mean by ‘21st century skills’? So we don’t need to go through these item by item with you gentlemen, but it essentially kind of describes what we consider to be the very, very important things that our students need to acquire. Attitudes and behaviors, work ethic, collaboration/work in groups, self-direction, time management, persistence, awareness of one’s own performance, etc. Specific knowledge and skills around the “big ideas,” particularly in the content areas of math and science or preparation for the work sector, writing skills, reading technical and complex text. And the contextual skills that really have to do with navigating the environment and being able to deal with change and innovation for our students. So just to give you an overview of that.

In terms of specific targets, we want to:

- Increase the MCAS CPI which is a specific term that refers basically to the performance index in English language arts and Math district-wide by at least 5%
- Increase the number of schools meeting AYP by at least 5%
- Increase the number of students scoring in the proficient or advanced levels by 5% and
- Increase student attendance district-wide by 1%.

So that’s kind of an overview and Bob will pick up and I’ll come back towards the latter part of the presentation.

School Department CFO Bob Peters: Good afternoon. Just as the...as you went through the city’s presentation, we were asked to provide an overview, and there will be considerable depth to this overview and presentation that you all will ultimately vote on I guess later on this month. As is always the case in any balancing of any budget, the ability to sustain programs in light of the fiscal uncertainties that exists at all levels of government is quite a challenge. And that is also....also the challenge is to make sure that we are providing the desired student outcomes.

As is the case in any budget, there’s always assumptions and...that a budget is built on, and these are some of the selected budget assumptions that we used in the development of our budget. First and foremost, since this presentation is to include all funding sources, our assumptions are that:

- with the exception of those that we do know that won’t be continued, that all grant funding will continue at the same level as in the past

- “circuit breaker” funds for special education will be funded at the same levels or equivalent to the current year’s level and that we will continue to reduce our out-of-district tuition SP[ecial] ED[ucation] costs
- A key factor, obviously, is the fact that student enrollment will remain stable. We expect no significant increase or decrease at least for the upcoming school year.
- Since personnel and peersonnel related costs are probably the significant cost drivers, one of the things in building a budget is to make sure that we fund all contractually legally obligated types of increases and we did so with all the agreements and we average approximately 3.25%.
- Obviously class size is also a vital and key ingredient to a successful educational program, and the decision that we would make is to continue to maintain class sizes as we have in FY08.
- In the past, the district has allocated \$75. per student for classroom supplies and other related type of other than personal service allocation, with the schools deciding how the money will be spent, and we’re going to continue funding that particular allocation.
- We also expect that since out of school...out of district SPED tuition is a fairly significant cost that we will continue to either decrease it or not increase the number of student placements outside the district.
- Security costs in education unfortunately is a cost and this one, this primarily, gentlemen, is an increase due to the city police force that is working in our schools, so that primarily is the cost driver for that.
- We also have other funding sources available to us. Some of them are revolving funds in which where we may have a reserve officer training type program, a ROTC program, in high schools. Federal government often will offset that, and so we plan on using part of that to balance this budget.

The next slide kind of gives you the overview of the current budget which was \$295.1million, where we project the 2009 budget to be which is \$303.9million for an increase of approximately \$8.8million or 3% increase over the current year.

The primary cost drivers, at least as I previously mentioned, are usually people and people-related costs and...

CG: What percentage of the total spending [unintelligible]?

BP: I’m sorry?

CG: What percentage of the total spending is personnel?

BP: I would say in the following sense that personnel cost and its related benefits such as health care and others is somewhere about 78% to 80%.

CG: 80%. Thank you.

BP: As you well know, we're in the service business and it's very labor intensive. Currently right now, we're projected that the general fund will increase by \$5.3million due to mandatory contractual obligations resulting from collective bargaining.

As TJ Plante pointed out, this has been an interesting year in the sense that I think there's been a lot of vetting of how health care costs as well as retirement costs have been allocated in the past, and I think that exchange has been somewhat healthy. It's been very informative, I believe. We're projecting that the health care cost for *all* funding sources, not just the general fund, but also grants, is going to increase by \$8.9million over the current year or 32.6% over what was budgeted for FY08, and I think TJ's slide sort of also indicated that. And as far as retirement is concerned for all funds, we're projecting an increase of \$2.8million or a 50% increase over FY08.

To give you an idea of the staffing which I think everyone generally likes to see...

JB: Let me take this one, Bob. Basically, this is...gives you an overview of changes in staffing patterns from FY08 to FY 09. As you can see, our allocation for teachers is about the same. Administrators goes down slightly.

The paraprofessionals is actually misleading, because during the current fiscal year, we asked the school committee to allocate additional dollars for paraprofessionals. So that budgeted amount of 774 F[ull]T[ime] E[quivalents] was actually about 50 paraprofessionals higher for the current year. So while the net increase shows 101 positions, it's actually going to be about an increase of 50 positions over and above we're actually allocating...actually putting in place for the current year. The primary reason for that is we've expanded our special ed programs locally. And in order to meet the needs of the special education students, there are required ratios of paraprofessionals that need to be in those programs. So we've been adding those programs in order to off-set the cost of out-of-district tuition and in special education. The net difference in out-of-district tuition this year was a savings, an actual savings, of about \$2million. We are projecting a similar savings for next year, but some of that is actually eaten up in costs such as additional paraprofessionals in a district. I might also add that about 1/3 of our paraprofessional costs, more than 1/3 are borne by grants, principally, the IDEA grant, which is a federal special ed grant on which we have 286 paraprofessionals that are actually funded on that grant. In addition to that, there's a kindergarten grant that picks up about another 25 to 30 paraprofessionals. So, in all, it's a little more than 1/3 of these positions are actually grant-funded.

Custodians goes down slightly. Our clerical personnel for FY09 is going up. We have made a commitment to fund some additional positions to help principally with the clerical tasks, specifically in the middle schools where we have basically been in some respect not staffing our middle schools at the level that they need in terms of the clerical work. Nursing's gone up slightly. The principals are up two. Technology positions up two. Security is up two. In the non-bargaining where you see 18.55, that's principally parent liaison personnel. We, we, we were very conscientious about putting parent liaisons into all of the elementary and middle schools. They're shown in the non-

bargaining category, because they're not in any bargaining unit, and those positions were increased in FY08. They're going to go up again slightly in FY09. That's fundamentally a commitment to, you know, parent engagement and having a parent liaison at each of the elementary and middle schools in the district.

So, while you see an increase of about 135 FTEs, again, it's misleading, because 50 of that was actually picked up in the current year's budget, primarily in paraprofessionals.

BP: And the last presentation is taken right from the D[e]partment o[f] E[du]cation website and which talks about net school spending and the requirement and I think it gives...it provides the data that a lot of you [unintelligible] what's the enrollment, what's the state revenues and what is the local contribution as part of the net school spending requirement? As you can tell, there's a high percentage of state funding as it pertains to Springfield, probably not too uncommon with a lot of urban districts. And with that we conclude and...I'm sorry.

JB: I have one other item that I want to share with all of you. And that is that when the Mayor was talking about requests from departments of \$30million and so forth, there actually were no requests from the school department, but I am going, I am going to make one now, and I want to provide you some contextual background for that, so if I can just take a moment to give you these folders. [passes out folders to each member] In the original contract agreement that we signed with the teachers' union, the control board recognized that there was going to be a need for us to look at the competitive salaries of Springfield in relationship to surrounding communities. We prepared some data for you that shows comparative salaries at different levels for both 2007 and 2008 and 2008-2009, and without going through this in any particular detail, let me say to you that Springfield teachers are falling behind. And the control board recognized that in the previous contract negotiations and provided for a salary scan that would be done every third year. And this is the third year of that contract, and this is the salary scan that we have actually done.

If you look at 2007-2008 on that first page which is the bachelor's degree level, essentially, from steps five to step ten, we start out about \$1000. behind the average for most of the surrounding communities. And by the time you get to step ten, we're about \$4000. behind. If you go forward two pages, and you look at the master's degree level, and I would just point out to you if you look at step nine and step ten where Springfield is paying for 2007-2008 \$50,000. and \$52,000. and you look at the overall average for those same steps across all of these communities, we're about \$2600. below the average of the surrounding communities for 2007-2008. In 2008-2009, those gaps increase. They tend to be in the...on the order of \$4000. to \$5000. at most of the steps during FY08-09 which is the upcoming year.

We've also provided for your review some attached data with regard to teacher losses. It's framed in this format [hold up an example] so that you, when you have an opportunity, you can go through and take a look at this information, but essentially what

we have done is we've created a little bit of a historical record over the past few years of the numbers of teachers that have left the system. And, of the greatest significance, quite frankly, is the number of resignations. If you look at 2005-2006, for example, 260 teachers resigned, there were 60 retirements, there were non-renewals of waivers, etc. But the 260 resignations is the significant number there. In 2006-2007, there were 233 resignations. In 2007-2008, there were 166 resignations. Now we haven't gotten into that part of the year during the summer when people just sort of disappear. They go and they take other jobs and so forth, but the big picture on this (and I feel compelled to say this) is that our current salary schedule, unlike where it was when we first started a couple of years ago, has fallen behind some of the other communities. Now that is less so at the high end of the salary schedule where we remain closer to the average for the surrounding communities than we are in the earlier steps. We also have included in this packet for you the additional salary bands for the teacher leader positions and the instructional leadership positions, that is on this page that we've provided to you which is the actual sign-off sheet where Mr. Collins and I agreed on those salary bands with a modest adjustment based on the challenges that we're currently facing.

The other piece of information that we've provided in the packet is these longer 8½" x 14" sheets...

CG: Just a quick question, Dr. Burke, so a teacher leader, for example, who's eligible, depending on what subject they're in to be, I assume, as an entry point of \$53,000 or \$57,000. Where would they typically fall compared to the earlier pages in terms of the number of years of service? Or what step?

JB: They're eligible to apply in their seventh year.

CG: Seventh year.

JB: So, typically speaking, if a teacher was in their seventh year and they applied to become a teacher leader and they were in a critical shortage area and were successful in getting into that position, their salary could be enhanced by somewhere on the order of \$5000. or \$6000. once they were placed in that position. That's a similar thing for the instructional leadership specialists. The agreement that we have with the teachers' union is that a teacher who goes into the instructional leadership specialist position must be placed at a point on the salary band at least 7% higher than they would have been on the traditional salary schedule, and for teacher leader, at least 4% higher. So we basically figure out where they would have been on the salary schedule, we go to this salary band and we place them appropriately where they should be based on our agreement with the teacher.

CG: And there are how many teacher leaders and how many...?

JB: Instructional leadership specialists, right now we have 114. Next year we're again going to be expanding that to a total of 130. The teacher leaders are going to be selected for the very first time right now. We're in the process of reviewing all of the

applications, and based on the preliminary information that we have, we will probably only be placing about 75 or 80 teacher leaders going into next year. We had hoped to have a lot more applicants than that, but we had less than we anticipated.

The last piece of data that we presented to you is..

DS: [unintelligible] ...under the I[nstructional] L[eadership] S[pecialist] then?

JB: The ILS is the top of the salary schedule, yeah, right.

DS: Thank you, sir.

JB: The last piece of information on this long sheet is a history of minimum required local contribution of the communities throughout the Hampden County area, and it shows you the history of this over the years. Essentially, Springfield for the most part struggling to hit 100% of the minimum local contribution, the most significant outlier being FY2006 when the local minimum...minimum local contribution was only at 63%. But what you see is a comparison of the other communities around here. They average about 120%. And that's just the contextual picture that we wanted to give you here, that the surrounding communities have been supporting their schools to the tune of about 120% of the minimum contribution. The city of Springfield has been hovering right at or slightly below 100%.

And I would just point out, for example, Holyoke is a bit of an outlier, because when you look at Holyoke, they're at 196%, 262%, 217% and so on, giving indication that the city has been making some huge efforts to help support the challenging educational needs in that community up the road.

The bottom line of all of this is that we have a big challenge that we're facing, and that is that if we do not do something in the short term to shore up the teacher salary schedule, particularly in steps one through twelve, we will be in a situation once again when we will start "bleeding" teachers. As was mentioned earlier, we lost more than half of our teaching workforce during the wage freeze and in the protracted contract negotiations. There is a contractual provision for us to have done the wage scan. The wage scan is here. My recommendation to you (and we...we...we will find the money within the school department budget to fund this), but my recommendation to you is to find \$2.8million to put onto the teachers' salary schedule in short order in order to eliminate a massive exodus of teachers during the summer. And I do...I would be remiss if I didn't say to you as a superintendent that I think that this is very critical. I...I...I'm concerned about the new superintendent coming in in July and inheriting a system that is...that, again, is starting to lose teacher talent in some fairly significant numbers. I think we can find the money to do this, and I would urge you to give some serious thought to this and authorize us to do something on the order of a \$2.8million adjustment in the salary schedule for the teachers.

JM: Could I ask a question?

CG: Yeah, of course. Let me make one comment if I might though. You know, since Mr. Collins first brought this up and Dr. Burke and I also spoke about it on the phone, I have tried to make the in-coming superintendent aware of it. (I'm sure you [JB] have, too.)

JB: I have.

CG: I know that Dr. Burke has done a very professional job of organizing a lot of presentation material for that, and I want to make...I've indicated this, you know, is a fairly complex coming up in the context of a budget where we've taken a very clear stance. It's a complex issue of great importance, you know, as is I think the fact that we're up 3.25% on salary expenditures in a year in which Chapter 70 is up 3.3 is the reason I believe we're not laying anybody up. I believe a number of these other communities are laying off.

JB: There's a number of communities that can't afford their teacher contracts.

CG: So, it's a dilemma, and it's a dilemma. And you've played a, obviously, a key role and you understand that dilemma. This is not meant to be...so I think the dilemma is one that requires attention. You know, I'm not entirely clear that it can readily be boxed into this particular ten days left on this budget cycle, which is not to say therefore nothing should be done about it ever or for a year. Simply to say, you know, these are a little bit, even though they're highly related, these are a little bit, in my view, fish and fowl. That is: What is the agreement we fundamentally have? Why do we have it? What are its long-term implications vs. you know, what's approved for this year?

I only wanted to relay that to all of you to say, you know, I have gotten these calls. I have had these conversations, and I do think it's important it happened. I've not had a chance (and you may have a comment on this, Mayor)...I've not had a chance to talk to anyone on the school committee about, you know, what analysis or recommendation they made. Generally, as a control board, I've been advocating for us to be responsive to things rather than pro-active in our final year in terms of, you know, charging into very important and detailed things as if we're really running...

Comment [SM1]: portant it happened

JB: You know I shared all of this data with the school committee, and there's a concern. You know, I think the school committee is feeling that very much as you are, Mr. Chairman, that while we... It's a challenge for us to take the \$2.8million and put it on the salary schedule, because it becomes part of the new base. That's a challenge. It's also a challenge when you think about what it costs us to go out and find new teachers to replace teachers that leave us during the summer. And, you know, what's...you know, there's just a whole lot of issues associated with it... And the system is at a point right now where I'm not sure that we can a "bleed" talent at the level that we did when we were in the contract dispute and we had the wage freeze.

JM: My questions would be assuming you had the authority to find \$2.8million, where would you find it?

JB: There're a number of different things that are going on within our budget right now where we have been looking at funds that were budgeted that could potentially be unexpended that would put us short of net school spending, and the \$2.8million is, I believe, is going to be available there. You know, it's...there's always a few things that happen in any given budget year that help you out. An example: we're going to realize almost \$1million in additional circuit breaker money in the current fiscal year than we had anticipated. So that's actually \$1million in revenue that we hadn't relied on. That would be \$1million that we could certainly put to this effort and there's a few other things here and there that we could cobble together. So it's a couple of different ways that we could actually approach it. We can take some of the money that we know we need to expend in order to meet net school spending in the current year and sort of spend it forward on some of the items that are in the FY09 budget, thus freeing up money in the FY09 budget to put onto the teacher salary schedule. There's a couple of different ways it can be accomplished, but I do think that it's an imperative for us given the circumstances that we have right now. And I did speak with Dr. Ingram about it this morning.

CG: Great.

JB: And so we...you know, he was grateful that we were going to create the context for this by presenting this to the control board today, so...

BW: Mr. Chairman, just to piggyback on this morning, and an excellent job, excellent presentation. But that \$2.8million, that's a one time...you have to find \$2. every year for then next...

JB: Well, if we increase the salary base by \$2.8million, then that's going to be a recurring cost. There's no question that once you put it on the salary schedule, it's there, and it would become part of what we would have to fund going forward. And that's the risk. You know on the other hand, if we don't do it and we start losing teachers in big numbers, then you have another cost. You have a cost in the classroom, but you also have a replacement cost for those teachers, because you've got to go out and get those people and, you know, obviously there's some cost incurred to that (the orientation of those new teachers, bringing them up to speed on all of the things that are associated with all of that) so it isn't neutral. I mean if you start losing teachers in the system who are, particularly talented teachers, it's not cost-neutral to replace them and it's not cost-neutral in terms of the impact on the classroom.

JM: I guess I was going to ask "Have you ever quantified the cost of training and orienting new teachers?"

JB: We have, but rather...we have done that, but rather than for me to just come up with a number off the top of my head, I'd rather go and get a hard number for you, Jim. And I'd...it's just I think the right thing to do, but we do have a number.

JM: Gottcha.

DS: Serving on as chair of the school committee and I think we agree about important to bring it up though I believe we're going to address in this budget my question that I put across to the school committee was "This is a recurring cost, and you're doing it out of one time revenue." And those are some of the difficult decisions I had to make on the police side and we can make sure we can recurring and creating grants, because if the money's not there you do it, but then you turn around six months later, you're going to have to lay off, so that was the whole thing with myself and I knew the control board would ask. It's a recurring cost, and we have to be cognizant with the FY09, mid-year FY09 10 that you do this, you might give for a little while, then you have to take it away. It is an issue and I agreed with Dr. Burke and Mr. Collins at school committee meetings that needs to be looked at and see how we can and cannot address it. I...as I said at school committee, we can address it this budget year, but it is going to become a recurring cost. And I've had to worry about that on the city side.

JB: There's no doubt that once you put the money on the salary schedule that's there, it becomes part of the new base. My concern is and, you know, I've expressed it, is that you, you know, you're going to take it in the throat one way or the other. You know, you take the risk of putting that money on the salary schedule and facing what you have to face in 2010. On the other hand, if you start losing teacher talent in the short run, you know, the impact on the classroom is huge, and *it is not cost-neutral*, there's no question about that. It does cost us money over the first couple of years of a teacher's career to bring them in, get them oriented, and get them up to speed, so...

BP: Gentlemen, if I may make one more point and it's on a different subject matter, but very important. The documentation that you will receive next week preceding the vote on June 23, I was hoping there was an item that would have been discussed on the city's side of the budget presentation, so I feel obligated to do so. The school district is eligible for certain funds as an educational institution that a governmental organization is not. One of them happens to be "e-rate." You know, we talked about 21st century skills and the importance of technology the second one happens to evolve from a class action law suit that benefited school districts; it's called Microsoft Rebate. E-rate's been in existence probably since 1998. The Microsoft Rebate's first year as it impacted on Springfield was 2007. The reason I'm bringing it to your attention---for whatever reasons, in the past, it may not have been properly accounted for, and so therefore in the current year while we were attempting to access those funds, we were unable to do so. And so I believe there will be some action that might be required that will permit the school system to access those funds and add them to the general fund budget. The exact amount I don't have for you, but I believe it's somewhere in excess of \$700,000. or \$800,000. that we were unable to access to use for technology this year. That will not be in my presentation or any financial information we present to you.

JB: Well, I did speak with TJ today about that earlier, and I think that will be in the June 23 presentation to add. It's, I think, close to \$1million that'll be added to the school department budget.

DS: I understand, Dr. Burke, too, it's close to \$1million. I instructed TJ to look into that situation that [unintelligible] we're clarifying and I believe that, TJ, you are looking into that situation on the tech...yeah. There's about \$1million.

TJP: [speaks inaudibly from the back of the room]

DS: But you'd have to get authorization from the city side through the auditor on that. So we're look into that, and I...and publicly I, Dr. Burke, I want to thank you for your years of service here to the public school system. I think that's important, and I do wish you the best as you move on at that point in time. Mr. Chairman is back [CG had left the room earlier to take a phone call.] Mr. Chairman, I don't know if you had any questions for...

CG: [speaking inaudibly from the hall]

JM: Have, have... You must have anticipated that this issue of sustainability would come up today. Have you given...what thought have you given to how this \$2.8million can be sustained beyond this year?

JB: You know, it's a...it's so difficult for us to answer that, because our budget is so principally dependent on the...what the legislature does on Chapter 70 funding. So, you know, we've been making the fundamental assumption that the Chapter 70 funding would increase by 3%. This year statewide, it increased by somewhere on the order of 5%. Springfield was only 3%, so we're...our estimate on that was pretty good. And our estimate on that going forward would continue to be about 3%. Again, you know, grant funding: we do pay for a number of teacher positions and some of them are higher funded positions based on our entitlement grants. That's not reflected in some of the documents that you've already seen, but our total grants are on the order of about \$45million. Title 1, Title 2, Title 3: all of the entitlement grants are very important to sort of complete the puzzle. And, depending upon how those dollars come in, we had originally anticipated for the FY09 fiscal year that we were going to take an actual hit of about 5% to 7% in Title 1 funding—it actually increased. So it gave us a little bit of a break in terms of our ability to kind of manage our budget going forward. So it's so difficult for us to project in 2010 what's going to be Chapter 70 funding (what's that going to look like, what are our entitlement grants going to look like?). \$2.8million is less than 1% of our budget. And, you know, consequently, I think the opportunity for us to be able to cover that going forward is pretty good. You know, I think that for us to pretend that we couldn't figure out a way to find 1% or less than 1% in order to continue to fund our obligations to the teachers—that's...we will be able to do that. And I think it's a less of a roll of the dice that it appears as we're talking about it today. I think it's pretty doable.

JM: OK. Thank you.

CG: Thank you very much.

JB: OK. Thank you.

BW: Thank you, Dr. Burke.

CG: I think that brings our budget presentation to a close, is that correct, Mr. Lisauskas?

SL: That is, Mr. Chairman. The only item remaining is new business.

New Business

DS: Under new business, Council President Williams, myself, and I know in discussion with Steve Lisauskas, the control board took a vote, and...with a new superintendent coming in... We'd like to have Dr. Ingram get the lay of the land as he assesses the situation of what he feels should move forward on some good things that are happening there and *his* viewpoints and thoughts. This is before Buddy and my time on it...but the control board had issued a vote. December 20, 2007 authorizing executive director to review and approve all personnel actions for positions other than teachers, paraprofessionals, assistant principals, principals in the school department. We're going to move...or I move to amend the vote of December 20, 2007 to grant the executive director the authority to review, modify, approve or rescind personnel actions for vice-principals, principals in the school department including any transfers, allowing the new incoming superintendent to come in and get the lay of the land and if that is so and [unintelligible] fine. If not, he should be able to come in and evaluate the team and see the good and see some of the changes that want to be implemented, so that's the motion that... I don't know if Council President Williams wanted to comment also.

BW: I [unintelligible] we just want to thank the Mayor for being on top of this is that the new superintendent is in town as we speak meeting with department heads and various leaders of the city. And I just think that it's very incumbent upon this body to give him each and every opportunity to be involved in any decision making, any transfers or lay-offs or what have you, because he has to deal with the school department now and it really should be his call, so I'm going to second the Mayor's motion to amend the order back in January [sic] of 2007.

JM: Please repeat it.

CG: I think, as I understand it, see if I can summarize it, they...at the moment, the level of staff change...you now, in the past, we've reviewed and discussed what level of staff changes in the city require conversation with the executive director and the support of the control board in that form. The school department level did not reach principal or assistant principal hirings or transfers. I think the motion that's being put on the floor is to do so in the spirit of insuring that during a period of transition, important personnel moves, you know, like potential hirings or terminations or transfers of principals and I guess assistant principals are done with the transparency and thoughtfulness as to what both what's been learned from the past and as well as to what the next administration might prefer in the school department. I think that's, as I understand the spirit and, I believe, the background of the proposal.

DS: Think, Steve, also that's not to say just gives some action, but it gives the new incoming superintendent the rightful duty to be able to assess the whole situation and get the lay of the land and maybe things are some things are so, but maybe some things are not. But I think that's, that's important.

SL: In speaking with the in-coming superintendent this morning, he'd indicated he met with Superintendent Burke also earlier this morning, and there are some number of transfers and other personnel actions pending that Dr. Ingram would like the opportunity to comment on and review. And absent additional process, those transfers and other personnel actions may occur without the input of the new superintendent.

CG: I support it in that spirit and I think it [unintelligible] something we want to review again in the future as to whether it's an appropriate level or not. But I think transition's always a delicate moment when people can reasonably see a good action from the point of view of history that somebody coming in might not see as well. I assume that's the spirit in which you would exercise those duties since we're not voting to give Dr. Ingram that authority, we're voting to give you that authority...

SL: Right.

CG: But I assume that's the spirit in which you'd exercise that [unintelligible] with the Mayor would be not to bottle up everything on the one hand, and on the other hand, to make sure that everything is well-reviewed from a go-forward basis. I think we as a control board want very healthy, very transparent organizational processes, so that's the reason I support it.

RN: Mr. Clerk, can you repeat the motion, please?

CG: I think I got it here; want to read it, Buddy? [CG hands paper to BW.]

BW: [reads] "The control board on December 20, 2007 authorizes the executive director to review all personnel actions for positions other than teachers, paraprofessionals, assistant principals and principals in the school department. I [meaning the Mayor] move to amend the vote of 2020 [sic] to grant the executive director the authority to review, modify, approve or rescind personnel actions for vice-principals and principals in the school department including any transfers."

CG: Just a question, Mr. Pikula, is it proper to look at this as an amendment or a new motion? I'm not trying to be *Robert's Rules of Order* here, I support the spirit of it, I just want to make sure...are we moving to amend something, or are we moving, you know, a new motion?

EP: Six of one half a dozen of the other.

CG: Fine. If you're comfortable with it as captured, I am, so... So much for me being a lawyer. My moment came and went. You comfortable with it [to RN]? Any other discussion?

****MOTION PASSES UNANIMOUSLY.**

CG: Any other new business?

Davis Foundation Floating their LEF Idea to Community Groups

BW: Yeah, Mr. President. Mr. Chairman, just want a commentary. There was a vote taken by this body, I believe, a few months ago regarding the Davis Foundation in terms of we accessed, I believe, about \$25,000. It was my understanding at that point in time they were going to the community, dialogue, et information, meet with the school department, community groups, neighborhood councils. To my knowledge, that has not been done as of yet. I'm going to check for more information, and if (this is my opinion) I find that not to be the case, I'm going to move to rescind that vote at the next control board meeting.

Mayor Sarno: Mr. Chairman, if I may, I know that...thank you, Council President Williams...I know that the Davis Foundation was at one of our last school committee meetings, and they put across that they are going to go out and meet with neighborhood, community groups on that. So I don't know what type of schedule there is on that, but should be. They just...school committee, I think it was last meeting or meeting before they made a presentation, and that was one of the concerns that School Committee Member Attorney Marge Hurst brought up about going out to the...with the stakeholders. So they said they were going to be pursuing it.

Control Board Executive Director Steve Lisauskas: We'll have that update for you at the next meeting.

BW: Thank you.

SL: Certainly.

Adjournment to Executive Session